
Quarterly report on the results for the first quarter ended June 30, 2011

Bharti Airtel Limited

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India

- airtel launched the world's first USSD-based Facebook® access service in India
- airtel launched International Video Calling services on 3G
- airtel digital tv launched 3D-ready HD Recorder
- airtel Africa launched the Big Family Package in Nigeria, with call rates as low as 15K/sec



August 03, 2011

The financial statements included in this quarterly report fairly presents in all material respects the financial condition, results of operations, cash flows of the company as of, and for the periods presented in this report.

Supplemental Disclosures

Safe Harbor: - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

General Risk: - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of Bharti Airtel including the risks involved.

Convenience translation: - We publish our financial statements in Indian Rupees. All references herein to “Indian Rupees” and “Rs” are to Indian Rupees and all references herein to “US dollars” and “US\$” are to United States dollars. All translations from Indian Rupees to United States dollars were made (unless otherwise indicated) using the rate of Rs 44.72 = US \$1.00. Similarly all transactions from United States Dollars to Indian Rupees were made (unless otherwise stated) using the rate of US\$ 0.0224 = Re.1, being the RBI Reference rate as announced by the Reserve Bank of India on June 30, 2011. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off. Information contained on our website www.airtel.in is not part of this quarterly report.

Functional Translation (Africa & Africa Others): - Wherever Africa and Africa Others financials are reported in the quarterly report, the same are published in their functional currency i.e. US\$.

Use of Certain Non-GAAP measures: - This result announcement contains certain information on the Company’s results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standards (IFRS), but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

Further disclosures are also provided under “Use of Non - GAAP financial information” on page 25

Others: In this report, the terms “we”, “us”, “our”, “Bharti”, or “the Company”, unless otherwise specified or the context otherwise

implies, refer to Bharti Airtel Limited (“Bharti Airtel”) and its subsidiaries, Bharti Hexacom Limited (“Bharti Hexacom”), Bharti Airtel Services Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited), Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Network i2i Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited), Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, Airtel Bangladesh Limited, Airtel M Commerce Services Limited, Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd), Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd), Bharti Airtel International (Mauritius) Limited, Indian Ocean Telecom Limited, Telecom Seychelles Limited, Bharti Airtel Africa B.V., Bharti Airtel Acquisition Holdings B.V., Bharti Airtel Burkina Faso Holdings B.V., Bharti Airtel Cameroon Holdings B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Gabon Holdings B.V., Bharti Airtel Ghana Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Sierra Leone Holdings B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Zap Mobile Commerce B.V., Zap Holdings B.V., Airtel Burkina Faso S.A., Celtel Chad S.A., Airtel Congo S.A., Celtel Congo RDC S.a.r.l., Celtel Gabon S.A., Airtel (Ghana) Limited, Airtel Network Kenya Limited, Airtel Madagascar S.A., Airtel Malawi Limited, Celtel Niger S.A., Airtel Networks Limited, Airtel Tanzania Limited, Airtel Uganda Limited, Celtel Zambia plc, Bharti Airtel DTH Holdings B.V., Celtel Cameroon SA, Partnership Investments Sprl, MSI-Celtel Nigeria Limited, Celtel (Mauritius) Holdings Limited, Channel Sea Management Co Mauritius Limited, Zain (IP) Mauritius Limited, Montana International, Zap Trust Company Nigeria Limited, Zain Mobile Commerce Tchad SARL, ZMP Ltd. (Zambia), Airtel Mobile Commerce Malawai Limited, Airtel Mobile Commerce Ghana Limited, Airtel Mobile Commerce Kenya Limited, Zap Niger S.A. (Niger), Airtel Mobile Commerce (SL) Limited, Zap Trust Company Uganda Ltd., Africa Towers N.V., Airtel DTH Services Ghana Limited, Airtel DTH Services Malawi Limited, Airtel DTH Services Uganda Limited, Airtel Towers (Ghana) Limited, Malawi Towers Limited, Mobile Commerce Gabon S.A., Société Malgache de Telephonie Cellulaire SA, Uganda Towers Limited, Airtel Mobile Commerce Tanzania Limited, Airtel (SL) Limited, Airtel DTH Services (K) Limited, Airtel DTH Services (Sierra Leone) Limited, Airtel DTH Services Burkina Faso S.A., Airtel DTH Services Congo (RDC) S.p.r.l., Airtel DTH Services Congo S.A., Airtel DTH Services Gabon S.A., Airtel DTH Services Madagascar S.A., Airtel DTH Services Niger S.A., Airtel DTH Services Nigeria Limited, Airtel DTH Services T.Chad S.A., Airtel DTH Services Tanzania Limited, Bharti DTH Services Zambia Limited, Airtel Money (RDC) S.p.r.l., Airtel Towers S.L. Limited, Burkia Faso Towers S.A., Congo RDC Towers S.p.r.l., Congo Towers S.A., Gabon Towers S.A., Kenya Towers Limited, Madagascar Towers S.A., Mobile Commerce Congo S.A., Niger Towers S.A., Tanzania Towers Limited, Tchad Towers S.A., Towers Support Nigeria Limited, Bharti Airtel Developers Form Ltd., Zambia Towers Limited, Bangladesh Infratel Limited, Zap Mobile Commerce Burkina Faso S.A.

Disclaimer: - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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Section 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended			Quarter Ended				
		USGAAP	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
		2009	2010	2011	Jun 2010	Sep 2010	Dec 2010	Mar 2011	Jun 2011
<u>Operating Highlights</u>									
Total Customer Base	000's	97,594	137,013	220,877	183,372	194,823	207,799	220,877	230,831
Total Minutes on Network	Mn Min	506,070	643,109	890,093	206,213	216,373	227,262	240,245	251,962
Network Sites	Nos	93,368	107,443	131,304	118,963	123,869	127,878	131,304	133,506
Total Employees ²	Nos	24,839	18,791	23,371	25,304	24,766	24,501	23,371	22,858
No. of countries of operation	Nos	2	3	19	18	19	19	19	19
Population Covered	bn	1.18	1.36	1.83	1.82	1.82	1.82	1.83	1.83
<u>Consolidated Financials</u>									
Total Revenue	Rs mn	369,615	418,948	595,383	122,438	152,294	157,721	162,930	169,749
EBITDA	Rs mn	151,678	168,149	200,718	44,456	51,360	50,072	54,830	57,058
Cash profit from operations before Derivative & Exchange Fluctuations	Rs mn	151,990	162,817	180,581	42,419	45,547	44,110	48,505	50,324
Cash profit from operations after Derivative & Exchange Fluctuations	Rs mn	140,065	167,971	178,905	40,258	48,041	42,603	48,004	48,508
Profit / (Loss) before Tax	Rs mn	93,073	105,091	76,782	20,719	22,267	15,495	18,302	17,195
Net income	Rs mn	84,699	89,768	60,467	16,816	16,612	13,033	14,007	12,152
Capex	Rs mn	140,171	96,431	140,100	18,361	33,047	43,210	45,483	43,483
Operating Free Cash Flow (EBITDA - Capex)	Rs mn	11,507	71,718	60,617	26,095	18,313	6,863	9,347	13,575
Net Debt	Rs mn	69,635	23,920	599,512	602,308	601,438	598,477	599,512	600,186
Shareholder's Equity	Rs mn	303,945	421,940	487,668	435,037	462,174	467,838	487,668	498,458
<u>Consolidated Financials</u>									
Total Revenue	US\$ Mn	7,254	9,281	13,334	2,627	3,390	3,520	3,649	3,796
EBITDA	US\$ Mn	2,977	3,725	4,495	954	1,143	1,117	1,228	1,276
Cash profit from operations before Derivative & Exchange Fluctuations	US\$ Mn	2,983	3,607	4,044	910	1,014	984	1,086	1,125
Cash profit from operations after Derivative & Exchange Fluctuations	US\$ Mn	2,749	3,721	4,007	864	1,069	951	1,075	1,085
Profit / (Loss) before Tax	US\$ Mn	1,827	2,328	1,720	445	496	346	410	385
Net income	US\$ Mn	1,662	1,989	1,354	361	370	291	314	272
Capex	US\$ Mn	2,751	2,136	3,138	394	736	964	1,019	972
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	226	1,589	1,358	560	408	153	209	304
Net Debt	US\$ Mn	1,367	530	13,427	12,925	13,389	13,356	13,427	13,421
Shareholder's Equity	US\$ Mn	5,966	9,347	10,922	9,336	10,289	10,440	10,922	11,146
<u>Key Ratios</u>									
EBITDA Margin	%	41.0%	40.1%	33.7%	36.3%	33.7%	31.7%	33.7%	33.6%
Net Profit Margin	%	22.9%	21.4%	10.2%	13.7%	10.9%	8.3%	8.6%	7.2%
Net Debt to Funded Equity Ratio	Times	0.23	0.06	1.23	1.38	1.30	1.28	1.23	1.20
Return on Shareholder's Equity	%	32.5%	24.5%	13.3%	21.3%	18.5%	15.4%	13.3%	11.8%
Return on Capital employed	%	30.4%	20.7%	10.8%	18.4%	13.9%	11.2%	9.2%	8.2%

1. Exchange rates used for Rupee conversion to US\$ is (a) Rs.50.95 for the financial year ended March 31, 2009 (b) Rs. 45.14 for the year ended March 31, 2010, (c) Rs. 46.60 for the quarter ended June 30, 2010, (d) Rs. 44.92 for the quarter ended September 30, 2010, (e) Rs. 44.81 for the quarter ended December 31, 2010 (f) Rs. 44.65 for the quarter ended March 31, 2011 (g) Rs. 44.72 for the quarter ended June 30, 2011 being the RBI Reference rate as announced by The Reserve Bank of India at the end of the respective periods.

2. Total employees include proportionate consolidation of 42% of Indus Towers Employees.

3. All the above numbers have been translated at the quarter end rates based convenience, although the actual reported results of Africa & Africa Others in the subsequent schedules are in their functional currency i.e. US\$.

4. Return on Shareholder's Equity and Return on Capital Employed for the financial year ended March 31, 2010 have been changed vis-à-vis the earlier reported figures.

5. Certain Income from operations earlier grouped under other income now have been reclassified and included under gross revenue with retrospective effect. The related operational metrics have also been reinstated accordingly.

Section 2

AN OVERVIEW

2.1 Introduction

We are one of world's leading providers of telecommunication services with presence in all the 22 licensed jurisdictions (also known as Telecom Circles) in India, and operations in Srilanka, Bangladesh and Africa. We served an aggregate of 230.8 million customers as of June 30, 2011.

We are the largest wireless service provider in India, based on the number of customers as of June 30, 2011. We offer an integrated suite of telecom solutions to our enterprise customers, in addition to providing long distance connectivity both nationally and internationally. We also offer Digital TV and IPTV Services. All these services are rendered under a unified brand "airtel". The company also deploys, owns and manages passive infrastructure pertaining to telecom operations under its subsidiary Bharti Infratel Limited. Bharti Infratel owns 42% of Indus Towers Limited. Bharti Infratel and Indus Towers are amongst top providers of passive infrastructure services in India.

2.2 Business Divisions

2.2.1 India & South Asia

Mobile Services (India & South Asia) - We offer mobile services using GSM technology in South Asia across India, Sri Lanka and Bangladesh, serving over 175 million customers in these geographies.

We have over 169 million mobile customers as on June 30, 2011, which makes us the largest wireless operator in India both in terms of customers with a customer market share of 19.8% and revenues with a revenue market share of over 30%. We offer post-paid, pre-paid, roaming, internet and other value added services through our extensive sales and distribution network covering over 1.6 million outlets. Our network is present in 5,114 census towns and 452,719 non-census towns and villages in India, covering approximately 86.2% of the country's population. We have recently launched 3G services in key cities of the country offering host of innovative services to our customers like Mobile TV entertainment, video calls, live streaming of videos, high definition gaming along with access to high speed internet.

Our national long distance infrastructure comprises of 148,792 Rkms of optical fibre, providing us a pan India reach.

Airtel Sri Lanka has 1.8 million customers with presence in all 25 administrative districts of Sri Lanka. We have launched 3.5G services in major towns and have created a nationwide distribution network comprising over 30,000 retailers.

Airtel Bangladesh has 4.0 million customers and offer mobile services across 64 districts of Bangladesh with a distribution network of over 66,000 retailers across the country. The burgeoning economy of Bangladesh coupled with low penetration of approx. 46% and a youth-strong population presents a unique market opportunity for telecom services.

Telemedia Services – We provide broadband (DSL), data and telephone services (fixed line) in 87 cities with growing

focus on the various data solutions for the Small & Medium Business (SMB) segment. We have over 3.3 million customers of which 43.1% are subscribing to broadband / internet services, as on June 30, 2011.

Our product offerings in this segment include fixed-line telephones providing local, national and international long distance voice connectivity, broadband Internet access through DSL; internet leased lines as well as MPLS solutions.

We remain strongly committed to our focus on the SMB segment by providing a range of Telecom & software solutions and aim to achieve revenue leadership in this rapidly growing segment of the ICT market. The strategy of our Telemedia Services business unit is to focus on cities with high revenue potential.

Enterprise Services - Enterprise Services is India's leading provider of communications services to large Enterprise, Government and Carrier customers. We deliver end to end telecom solutions to India's large corporates by serving as the single point of contact for all telecommunication needs by providing a full suite of communication services across data, voice, network integration, and managed services. We are regarded as the trusted communications partner to India's leading organizations, helping them to meet the challenges of growth.

We own a state of the art national and international long distance network infrastructure, enabling us to provide connectivity services both within India and connecting India to the world.

Our international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and our investments in new cable systems such as Asia America Gateway (AAG), India Middle East and Western Europe (IMEWE), Unity North, EIG (Europe India Gateway) and East Africa Submarine System (EASSy) expanding our global network to over 225,000 Rkms, covering 50 countries across 5 Continents. We also have terrestrial express connectivity to neighboring countries including Nepal, Pakistan, Bhutan and China.

Digital TV Services – Airtel digital TV has over 6.2 million customers and continues to add 1 out of every 4 new customers joining the Direct-To-Home (DTH) platform. We also offer High Definition Set Top Boxes and Digital TV Recorders with 3D capabilities delivering superior customer experience. We are the first company in India that provides real integration of all the three screens viz. TV, Mobile and Computers enabling our customers' record their favorite TV programs through mobile and web.

Passive Infrastructure Services – Bharti Infratel provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. Bharti Infratel deploys, owns

and manages passive infrastructure in 11 circles of India. Infratel also holds 42% share in Indus Towers (a Joint Venture between Bharti Infratel, Vodafone and Idea Cellular). Indus operates in 15 circles (4 circles common with Infratel, 11 circles on exclusive basis).

Bharti Infratel has 32,942 towers in 11 circles, excluding the 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from January 1, 2009. Indus Towers has a portfolio of 108,922 towers including the towers under right of use.

2.2.2 Africa

Mobile Services (Africa) – Airtel Africa has over 46 million customers adding 2.1 million new customers across 16 countries of Africa. There is a growth of 5% over the last quarter. This substantiates the fact that Airtel is on the path of becoming the most loved brand in the continent. We see this momentum accelerating, as brand visibility drive is still ongoing.

During the quarter we launched MAMO “(My Airtel My Offer)”. MAMO offers the capability to deliver a customized offer (basis usage) for each customer who dials into the IVR. This is a first of its kind in Africa and helps in enhancing usage and retention. MAMO has been launched across 12 countries and the initial response has been extremely good.

In this quarter, despite the slight fall in rate per minute we have nonetheless maintained our ARPU. Hence we are delighted that our customers in this quarter have enjoyed more of the Airtel's experience with significant growth of 5% in the minutes of usage, along-with an increased usage of non-voice revenues offers, consequently increasing the non voice revenue from 7.8% in last quarter to 8.4% in the current quarter.

Africa Others – It comprises of investment holding companies for Africa mobile operations.

2.3 Partners

Strategic Equity Partners - We have a strategic alliance with SingTel, which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. The investment made by SingTel in Bharti is one of their largest investments made in the world outside Singapore.

Equipment and Technology Partners - We have forged long term strategic partnerships in all areas including network equipment, information technology and call center technology building upon the unique outsourcing business models we pioneered. Our business models have enabled us to partner with global leaders who share our drive for co-creating innovative and tailor-made solutions for the markets we operate in.

For 2G/2.5G & 3G network equipment, we have partnered with Ericsson, Nokia Siemens Networks (NSN) and Huawei for the markets in India, Sri Lanka and Bangladesh.

We have also entered into Supply & Services Contracts for enhanced Packet Core with Cisco, NSN & Huawei. These partners will plan, design, deploy and maintain a state of the art Packet Core system to handle data traffic from 2G/3G & LTE access networks.

Besides 3G Radio access network with strategic partners, we have also partnered with Alcatel Lucent, Huawei, ECI, Tejas Networks and Cisco for Fiber/ Carrier ethernet based 3G backhaul products supply and deployment

Alcatel Lucent (ALU) is our Wire-line Access Network Managed Services partner through a JV Company. They are also responsible for deployment of Fibre/ Copper and service provisioning. However we are free to choose the Electronic Equipment, Switches and Routers from any other competent suppliers and we do purchase equipment from world leaders like Cisco, Juniper, ECI, Tellabs and others in addition to the strategic partners mentioned above.

IBM is our strategic partner for all business and enterprise IT systems. Our path breaking contract with IBM caters to, among other things, technology evolution, scale, tariff changes and subscriber growth. We have entered into a Global IT Outsourcing contract with IBM covering India, Bangladesh, Sri Lanka and African regions thereby taking our relationship to a truly Global level. Under this contract, IBM will provide and run all telecom-related IT Systems, Software and Services to support business requirements. It is helping Bharti Airtel derive economies of scale benefits, scope enhancements, similar customer services and experience across regions.

IBM is also our technology partner for Digital Media Exchange, which enables Airtel's presence in Digital Cinema, Digital Signage arena with a host of other Media & Entertainment-related services.

IBM Daksh, Mphasis, Firstsource, Teleperformance, Aegis, Tech Mahindra and HGSL are our call centre partners and provide an excellent customer experience through dedicated contact center operations. Our existing call centre technology partners are Avaya, Wipro and Cisco.

During the quarter, we entered into a strategic managed services contract with HP for a unified cloud computing platform for enabling convenient, on-demand turnkey solutions /branded applications for retail and SMB customers.

We work with globally renowned organizations such as Comviva, OnMobile, Acision, Yahoo, Google and Spice Digital, among others, to provide each of our customers with a unique experience in VAS like CRBT (caller ring back tone), Talk2Me (Interactive sessions with Celebrities), SMS, Music on Demand, Airtel Talkies (Movies via Audio), Buddy Finder, Email services and other Airtel Live applications. We also have an alliance with RIM for selling Blackberry enterprise services and Blackberry internet services.

SECTION 3

FINANCIAL HIGHLIGHTS

This section presents the (1) audited financial results for the first quarter ended June 30, 2010, and (2) audited financial results for the first quarter ended June 30, 2011 as per International Financial Reporting Standards (IFRS).

Detailed financial statements, analysis and other related information is attached to this report as Annexure (page 29 – 31). Also, kindly refer to Section 7 - use of Non - GAAP financial information (page 25) and Glossary (page 43) for detailed definitions.

3.1 Consolidated - Summary of Consolidated Financial Statements

3.1.1 Consolidated Summarized Statement of Operations (net of inter segment eliminations)

Particulars	<i>Amount in Rs mn, except ratios</i>		
	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	169,749	122,438	39%
EBITDA	57,058	44,456	28%
Cash profit from operations before Derivative and Exchange Fluctuation	50,324	42,419	19%
Cash profit from operations after Derivative and Exchange Fluctuation	48,508	40,258	20%
Profit / (Loss) before Tax	17,195	20,719	-17%
Current tax expense	6,429	5,409	19%
Profit / (Loss) after current tax expense	10,766	15,310	-30%
Deferred tax expense / (income)	(1,288)	(1,659)	-22%
Net income	12,152	16,816	-28%
Capex	43,483	18,361	137%
Operating Free Cash Flow (EBITDA - Capex)	13,575	26,095	-48%
<i>EBITDA / Total revenues</i>	<i>33.6%</i>	<i>36.3%</i>	

3.1.2 Consolidated Summarized Statement of Financial Position

Particulars	<i>Amount in Rs mn</i>
	As at June 30, 2011
Assets	
Non-current assets	1,351,237
Current assets	132,599
Total assets	1,483,836
Non-current liabilities	508,849
Current liabilities	448,624
Total liabilities	957,473
Equity & Minority Interest	
Equity	498,458
Minority Interest	27,905
Total Equity & Minority Interest	526,363
Total Equity and liabilities	1,483,836

3.2 Region wise - Summary of Consolidated Financial Statements

3.2.1 Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended June 2011				Quarter Ended June 2010			
	India & SA	Africa	Africa Others	Total	India & SA	Africa	Africa Others	Total
Total revenues	126,306	43,784	-	169,749	112,855	9,583	-	122,438
EBITDA	46,006	11,702	(649)	57,058	42,739	2,635	(919)	44,456
Cash profit from operations before Derivative and Exchange Fluctuation	43,749	9,526	(2,951)	50,324	41,973	1,983	(1,538)	42,419
Cash profit from operations after Derivative and Exchange Fluctuation	43,435	8,025	(2,952)	48,508	40,548	1,244	(1,535)	40,258
Profit / (Loss) before Tax	20,902	(756)	(2,952)	17,195	23,008	(754)	(1,535)	20,719
Current tax expense	4,706	1,723	-	6,429	5,248	161	-	5,409
Profit / (Loss) after current tax expense	16,196	(2,479)	(2,952)	10,766	17,760	(915)	(1,535)	15,310
Deferred tax expense / (income)	540	(1,828)	-	(1,288)	(1,561)	(98)	-	(1,659)
Net income	15,167	(64)	(2,952)	12,152	19,048	(697)	(1,535)	16,816
<i>EBITDA / Total revenues</i>	<i>36.4%</i>	<i>26.7%</i>		<i>33.6%</i>	<i>37.9%</i>	<i>27.5%</i>		<i>36.3%</i>
Capex	24,705	18,778	-	43,483	17,426	935	-	18,361
Operating Free Cash Flow (EBITDA - Capex)	21,300	(7,076)	(649)	13,575	25,313	1,700	(919)	26,095

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at June 30, 2011				Total
	India & SA	Africa	Africa Others	Eliminations	
Assets					
Non-current assets	783,198	573,703	441,814	(447,478)	1,351,237
Current assets	132,096	40,902	1,079	(41,478)	132,599
Total assets	915,294	614,605	442,893	(488,956)	1,483,836
Liabilities					
Non-current liabilities	147,563	214,494	294,014	(147,222)	508,849
Current liabilities	231,759	115,510	142,833	(41,478)	448,624
Total liabilities	379,322	330,004	436,847	(188,700)	957,473
Equity & Minority Interest					
Equity	508,942	283,726	6,046	(300,255)	498,458
Minority Interest	27,030	875	0	0	27,905
Total Equity & Minority Interest	535,972	284,601	6,046	(300,255)	526,363
Total Equity and liabilities	915,294	614,605	442,893	(488,956)	1,483,836

3.3 Segment wise Summarized Statement of Operations

India & South Asia

3.3.1 Mobile Services (India & South Asia) – comprises of Consolidated Statement of Operations of Mobile Services India & South Asia.

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	98,404	88,367	11%
EBITDA	33,614	31,887	5%
EBIT	20,853	22,236	-6%
EBITDA / Total revenues	34.2%	36.1%	
Operating Free Cash Flow (EBITDA - Capex)	20,162	24,816	-19%

3.3.2 Telemedia Services – comprises of Operations of Telemedia Services.

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	9,457	8,960	6%
EBITDA	4,304	3,939	9%
EBIT	2,220	1,910	16%
EBITDA / Total revenues	45.5%	44.0%	
Operating Free Cash Flow (EBITDA - Capex)	1,191	2,341	-49%

3.3.3 Enterprise Services – comprises of Operations of Enterprise Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	10,410	10,229	2%
EBITDA	2,303	2,542	-9%
EBIT	683	1,450	-53%
EBITDA / Total revenues	22.1%	24.9%	
Operating Free Cash Flow (EBITDA - Capex)	1,370	1,848	-26%

3.3.4 Passive Infrastructure Services – represents Bharti Infratel Ltd and proportionate consolidation of 42% Indus Towers.

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	22,767	20,412	12%
EBITDA	8,585	7,242	19%
EBIT	3,433	2,572	33%
EBITDA / Total revenues	37.7%	35.5%	
Operating Free Cash Flow (EBITDA - Capex)	4,470	1,941	130%

3.3.5 Others – comprises of Digital TV operations, Corporate Offices and new projects in India & South Asia.

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	3,700	1,949	90%
EBITDA	(2,017)	(2,206)	9%
Depreciation and Others	1,691	539	214%
EBIT	(3,708)	(2,898)	-28%
Operating Free Cash Flow (EBITDA - Capex)	(5,118)	(4,968)	-3.0%

Africa

3.3.6 Mobile Services (Africa) – comprises of 16 country operations in Africa.

Amount in US\$ mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues	979	205	21%
EBITDA	261	56	17%
EBIT	65	14	18%
EBITDA / Total revenues	26.7%	27.5%	
Operating Free Cash Flow (EBITDA - Capex)	(159)	36	-210%

Note 6: Wherever Africa and Africa Others financials are reported in the quarterly report, the same are published in their functional currency i.e. US\$.

Note 7: Financial numbers for the quarter ended June 30, 2010 are for 23 days and growth ratios are calculated on full quarter basis.

3.3.7 Africa Others – comprises of holding investments in Mobile Africa operations.

Amount in US\$ mn, except ratios

Particulars	Quarter Ended		
	June-11	June-10	Y-on-Y Growth
Total revenues			
EBITDA	(15)	(20)	-25%
EBIT	(15)	(20)	-25%
Operating Free Cash Flow (EBITDA - Capex)	(15)	(20)	-25%

3.4 Region wise & Segment wise Investment & Contribution

3.4.1 India and South Asia

Segment	Quarter Ended June 2011						Amount in Rs mn, except ratios As at June 30, 2011	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Investment in Projects	% of Total
Mobile Services ⁸	98,404	78%	33,614	73%	13,452	54%	619,273	59%
Telemedia Services	9,457	7%	4,304	9%	3,113	13%	123,087	12%
Enterprise Services	10,410	8%	2,303	5%	933	4%	42,844	4%
Passive Infrastructure Services	22,767	18%	8,585	19%	4,115	17%	226,043	22%
Others	3,700	3%	(2,017)	-4%	3,101	13%	36,378	3%
Sub Total	144,738	115%	46,789	102%	24,714	100%	1,047,625	100%
Eliminations	(18,432)	-15%	(783)	-2%	(9)	0%		
Accumulated Depreciation and Amortization							(309,077)	
Total	126,306	100%	46,006	100%	24,705	100%	738,548	
% of Consolidated	74%		81%		57%		57%	

Note 8: Investment in projects includes National optic fibre network.

3.4.2 Africa & Africa others

Amount in US\$ mn, except ratios

Segment	Quarter Ended June 2011			As at June 30, 2011
	Revenue	EBITDA	Capex	Investment in Projects
Africa	979	261	420	13,017
Africa Others	0	(15)	0	0
Sub Total	979	246	420	13,017
Accumulated Depreciation and Amortization				(745)
Total	979	246	420	12,272
% of Consolidated	26%	19%	43%	43%

SECTION 4
OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, ARPM, Non Voice revenue, Gross revenue per employee per month are based on IFRS.

4.1 Customers and Non Voice % - Consolidated

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Mobile Services	000's	221,247	211,919	4%	176,975	25%
India & South Asia	000's	174,941	167,713	4%	140,613	24%
Africa	000's	46,306	44,206	5%	36,362	27%
Telemedia Services	000's	3,322	3,296	1%	3,153	5%
Digital TV Services	000's	6,262	5,663	11%	3,244	93%
Total	000's	230,831	220,877	5%	183,372	26%
Non Voice Revenue as a % of Total Revenues	%	16.0%	15.2%		14.7%	

4.2 Traffic Details – Consolidated

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Mobile Services	Mn Min	244,668	233,106	5%	198,892	23%
India & South Asia	Mn Min	228,331	218,190	5%	195,197	17%
Africa	Mn Min	16,337	14,915	10%	3,695	342%
Telemedia Services	Mn Min	4,570	4,535	1%	4,696	-3%
National Long Distance Services	Mn Min	19,878	19,542	2%	17,333	15%
International Long Distance Services	Mn Min	3,119	3,047	2%	3,044	2%
Total Minutes on Network (Gross)	Mn Min	272,235	260,230	5%	223,965	22%
Eliminations	Mn Min	(20,272)	(19,985)	1%	(17,751)	14%
Total Minutes on Network (Net)	Mn Min	251,962	240,245	5%	206,213	22%

4.3 Mobile Services India

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Customer Base⁹						
All India Wireless Customers	000's	853,306	811,589	5%	635,505	34%
Wireless Customers on Airtel's Networks	000's	169,187	162,203	4%	136,620	24%
Net Additions						
All India Wireless Customers	000's	41,717	59,398	-30%	51,182	-18%
Wireless Customers on Airtel's Networks	000's	6,984	9,708	-28%	9,001	-22%
Market Share						
Airtel's Wireless Market Share	%	19.8%	20.0%		21.5%	
Airtel's Market Share of Net Additions	%	16.7%	16.3%		17.6%	
Pre-Paid Subscribers						
As a % of total Customer Base	%	96.3%	96.3%		96.0%	
Other Operating Information						
Average Revenue Per User (ARPU)	Rs	190	194	-2%	216	-12%
Average Revenue Per User (ARPU)	US\$	4.3	4.3	-2%	4.6	-8%
Average Rate Per Minute (ARPM)	Paisa	42.8	43.3	-1%	44.9	-5%
Average Minutes of Use Per User	Min	445	449	-1%	480	-7%
Monthly Churn	%	6.4%	7.6%		5.8%	
Non Voice Revenue						
Non Voice Revenue as a % of mobile revenues	%	14.6%	15.0%		11.6%	

Note 9: All India mobile subscribers for the month of April-2011 and May-2011 are as per report published by TRAI. Due to the non-publication of the TRAI report for June-2011 as on date, all India subscribers net additions for June-2011 are as reported by COAI.

4.4 Telemedia Services

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Telemedia Customers	000's	3,322	3,296	1%	3,153	5%
Net additions	000's	26	39	-33%	86	-70%
Average Revenue Per User (ARPU)	Rs	952	934	2%	961	-1%
Average Revenue Per User (ARPU)	US\$	21.3	20.9	2%	20.6	3%

4.5 Network and Coverage - India

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	5,114	5,113	1	5,092	22
Non-Census Towns and Villages	Nos	452,719	452,215	504	440,023	12,696
Population Coverage	%	86.2%	86.1%		84.3%	
Optic Fibre Network	R Kms	148,792	144,557	4,235	129,244	19,548
Network Sites	Nos	117,144	116,261	883	105,394	11750
Telemedia Services						
Cities covered	Nos	87	87	-	88	(1)
Submarine Cables Systems						
	Nos	7	7	-	4	3

4.6 Passive Infrastructure Services

4.6.1 Bharti Infratel Consolidated

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Total Towers ¹⁰	Nos	78,689	78,398	291	75,254	3,435
Total Tenancies ¹⁰	Nos	144,706	142,039	2,667	129,248	15,458
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	33,533	32,828	2%	33,064	1%
Sharing Factor	Times	1.83	1.79		1.70	

Note 10: Total Towers and Tenancies includes proportionate consolidation of 42% of Indus Towers.

4.6.2 Bharti Infratel Standalone

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Total Towers ¹¹	Nos	32,942	32,792	150	31,196	1,746
Total Tenancies	Nos	58,624	57,645	979	51,509	7,115
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	36,203	36,599	-1%	36,290	0%
Sharing Factor	Times	1.77	1.73		1.65	

Note 11: Total Towers are excluding 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009.

4.6.3 Indus Towers

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Total Towers	Nos	108,922	108,586	336	104,901	4,021
Total Tenancies	Nos	204,958	200,938	4,020	185,093	19,865
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	31,963	30,501	5%	30,379	5%
Sharing Factor	Times	1.87	1.83		1.75	

Note 12: Indus KPIs are on 100% basis.

4.7 Human Resource Analysis – India

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Consolidated						
Total Employees ¹³	Nos	16,545	16,830	(285)	17,694	(1,149)
Number of Customers per employee	Nos	10,805	10,170	6%	8,083	34%
Personnel cost per employee per month	Rs	111,741	102,657	9%	92,152	21%
Gross Revenue per employee per month	Rs	2,504,062	2,365,105	6%	2,099,334	19%

Note 13: Total Employees include proportionate consolidation of 42% Indus Towers employees.

4.8 Mobile Services - Africa

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Customer Base						
Total Wireless Customers	000's	NA	NA		NA	
Wireless Customers on Airtel's Networks	000's	46,306	44,206	5%	36,362	27%
Net Additions						
Total Wireless Customers	000's	NA	NA		NA	
Wireless Customers on Airtel's Networks	000's	2,100	2,082	1%	36,362	
Market Share						
Airtel's Wireless Market Share	%	NA	NA		NA	
Airtel's Market Share of Net Additions	%	NA	NA		NA	
Pre-Paid Subscribers						
As a % of total Customer Base	%	99.3%	99.3%		99.3%	
Other Operating Information						
Average Revenue Per User (ARPU)	US\$	7.3	7.2	2%	7.4	-2%
Average Rate Per Minute (ARPM)	US¢	6.0	6.2	-3%	7.2	-17%
Average Minutes of Use Per User	Min	121	115	5%	103	18%
Monthly Churn	%	6.3%	6.2%		5.6%	
Non Voice Revenue						
Non Voice Revenue as a % of mobile revenues	%	8.4%	7.8%		7.9%	

4.9 Traffic Details - Africa

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Mobile Services						
International Long Distance Services	Mn Min	16,337	14,915	10%	3,695	46%
Total Minutes on Network (Gross)	Mn Min	16,337	14,915	10%	3,695	46%
Eliminations	Mn Min	-	-		-	
Total Minutes on Network (Net)	Mn Min	16,337	14,915	10%	3,695	46%

4.10 Network & Coverage - Africa

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Mobile Services						
Towns & Villages	Nos	NA	NA		NA	
Population Coverage	%	NA	NA		NA	
Network Sites	Nos	12,703	11,912	792	10,840	1,863

4.11 Human Resource Analysis - Africa

Parameters	Unit	June 30, 2011	Mar 31, 2011	Q-on-Q Growth	June 30, 2010	Y-on-Y Growth
Total Employees	Nos	5,474	5,687	(213)	6,600	(1,126)
Number of Customers per employee	Nos	8,459	7,773	686	5,509	2,950
Personnel cost per employee per month	US\$	5,110	5,338	-4%	3,872	32%
Gross Revenue per employee per month	US\$	59,594	54,155	10%	42,161	41%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India and South Asia

A. Key Industry Developments

1. License amendment for Network Security:

DoT vide the license amendment dated July 28, 2010 laid down the network security guidelines and the draft template agreement to be signed between the service provider and the vendor company. Aggrieved by this draft template agreement, the non Chinese vendors raised an objection and approached PM office. Later, the PM office directed DoT to consider the concerns of the non Chinese vendors and arrive to a common template.

Subsequent to the above, DoT made the License amendment and issued the network security guidelines on May 31, 2011 with the key highlight as below:

- Location based details for mobile location to be a part of CDR for specified numbers. Within a period of 3 years, location details shall be part of CDR for all mobile calls.
- Licensee to create facilities for monitoring intrusions/ attacks/ frauds within 12 months and report the same to licensor and to CERT-IN.
- Software up gradations and changes to be maintained and informed to licensor within 15 days. Record of supply chain of hardware or software to be maintained. Operational and maintenance logs to be maintained for 12 months.
- Inspection of hardware, software, development, manufacturing facility & supply chain of vendors by licensor/ designated agencies. 2 visits (each upto 40 man days) per purchase order. Expenditure for visits for PO more than Rs 50 crores shall be borne by licensee / vendor.
- CTO, CIO and Nodal executives to be resident trained Indian nationals for handling LIM cases.
- Network audit once in a year from a network audit and certification agency as per ISO 15408 and ISO 27001 standards.
- Operators would be responsible for security of their network and have to submit their organization policy on network security and security management to DoT.
- Penalty: Up to Rs 50 crore for any breach caused due to inadvertent inadequacy. Penalty: Rs. 50 crore / breach and initiation of criminal proceedings due to inadequate measures and act of intentional omissions.
- Template agreement stipulated earlier made optional.

2. Subscriber Re-verification

- DoT vide instruction dated March 31, 2011 had extended the prepaid mobile services in J&K, Assam and North East Telecom Service Areas till March 31, 2013.

- Industry had impugned the instruction of DoT dated Feb 03, 2011 before TDSAT regarding graded scheme of penalty. TDSAT by its order dated June 18, 2011 stayed circular dated Feb 03, 2011 of DoT and directed the operators to pay at the same rate as they were paying immediately before Feb 03, 2011. This order was made absolute on June 03, 2011 till the final disposal of the petition.

- Revised guidelines on subscriber Verification: This is in the form of PIL pending before Supreme Court. ACT on June 10, 2011 decided to implead itself as Party to this litigation to assist the court in framing new guidelines and there was threadbare discussion on proposed revised guidelines

3. Change in criteria for the issuance of MSC codes / Mobile Number Series

- DoT vide its order dated Feb 07, 2011 discontinued the practice of allocation of new numbering on the basis of HLR (Home Location Register) figures. DoT mandated that the new MSC codes will be considered only when 110% of VLR (Visitor Location Register) figures reach 70% of already allocated mobile numbering resources. Subsequently, operators along with the industry associations made the representation to DoT so as to get relaxation in this allocation criterion. DoT also formed a committee under TEC to review the operators concerns and to revise the number allocation criteria at the earliest.

4. TRAI recommendations on Green Telecom

On April 12, 2011 TRAI issued its recommendations on "Green Telecom" with the key highlights as follows:

- All service providers should declare to TRAI carbon footprint of their network.
- Based on the details of footprints declared by all service providers, service providers should aim at Carbon emission reduction targets for the mobile network at 8% by the year 2012-2013, 12% by the year 2014-2015, 17% by the year 2016-2017 and 25% by the year 2018-2019.
- All telecom products, equipments and services in the telecom network should be energy and performance assessed and certified "Green Passport (GP)" utilizing the ECR's Rating and the Energy 'passport' determined by the year 2015.

5. TRAI recommendations on Telecom Infrastructure Policy

On April 12, 2011 TRAI issued its recommendation on "Telecom Infrastructure Policy", the key highlights of the recommendations are:

- Telecom infrastructure should be treated as an essential infrastructure.
- DoT should immediately bring the IP-1 under Unified License.

- TRAI has proposed reinstatement charges per kilometer for laying of telecommunication cables.
- 45 days timeline for grant of permission by the local authority for establishing telegraph line/ post/ laying of cable.
- Mandatory Camouflaging of telecom towers in areas of heritage, environmental or architectural importance.
- DAS should be mandated for deployment in 63 JNNURM cities within 18 months after completion of optical fiber network in these cities.
- A Unified licensee who does not possess spectrum should be allowed to work as an MVNO in any licensed service area.

6. TRAI recommendations on “Telecom Equipment Manufacturing”

On April 12, 2011 TRAI issued its recommendations on Telecom Equipment manufacturing with the key highlights as follows:

- Preferential market access should be provided to the Domestic Manufactured Products (DMP), comprising both Indian Manufactured Products (IMP) and Indian Products (IP), in procurement by the Government and Government licensees.
- Service provider procuring more than 10% and 20% of the market access requirement of telecom equipment in the form of IMP (Indian Manufactured Products) should get a rebate equivalent to 10% and 20% respectively of its license fee for that year.
- If a service provider is not able to meet the criteria of market access for IMP and IP then Service Provider will deposit an amount equal to 5% and 15% of the shortfall respectively in the value of the equipment in the Telecom Research fund or the Telecom Equipment Manufacturing fund.
- Excise Duty and VAT on domestic manufactured products should be limited to 12%.
- Incentive to producers of domestic manufactured products with annual turnover less than Rs 10,000 million.
- Telecom Research And Development Corporation (TRDC) should be set up for an R&D fund and establishing a Research and Development Park.

7. TRAI consultation papers- Review of IUC Regime

Subsequent to TDSAT Judgment on IUC Regulation of 2009, wherein the Hon'ble Court directed TRAI to review the IUC charges and bring a new IUC regime; the authority issued a detailed consultation paper on the IUC charges with the key issues as below:

- Framework of IUC (Cost based or 'Bill & Keep')
- Treatment of capex while calculating MTC
- Scope for Asymmetric regime (Old Vs New operators, Fixed Vs Mobile)
- ILD termination charges and any commercials for SMS termination

B. Key Company Developments

- Bharti Airtel introduced 'Wave' as the name for the new Airtel symbol. Crowd sourced through a six-month long online contest, the name 'Wave' refers to the sweeping changes that Airtel strives to bring towards enriching the lives of its 231 million customers in 19 countries across Asia and Africa. It is also symbolic of the wave of progress and prosperity that the brand Airtel continues to bring in the lives of its customers every day, through its exciting products and services. The winning entry was by Mukesh Chauhan, an engineer from Noida, Delhi NCR - whose dream of a vacation in Thailand is now coming true.
- Bharti Airtel announced the launch of its Mobile Wallet Service - airtel money in all of Delhi NCR and Chennai.
- Bharti Airtel announced the launch of its International Video Calling capabilities on 3G for its customers in India which is currently available for 227 international geographies.
- Bharti Airtel, in association with Apple, launched the iPhone 4 in India.
- Bharti Airtel completed the roll out of its 3G services in all of its 13 3G license circles.
- Bharti Airtel won in 3 categories at the Frost & Sullivan 2011 India IT & Telecom Excellence Awards - 'Mobile VAS provider', 'Enterprise Telecom Service Provider of the Year' and 'Wholesale Data Service Provider of the Year'.
- Bharti Airtel won 3 awards at the ET Telecom Awards 2011 – 'Global Gamechanger', 'Innovative VAS provider' and 'Customer Experience Enhancement'.
- Bharti Airtel was conferred Rolta Awards 2011 under the category 'Telecom player of the year' by Dun & Bradstreet.
- Bharti Airtel won 3 business innovation awards, jointly with its partners, at the Global Telecoms Business Innovation Awards 2011 – 'Global Data Business for Integrated Satellite Solution in Africa', 'Wholesale Service Innovation Award for Ethernet Aggregation - Using Ethernet over SDH Platform' and Business Service Innovation Award for Digital Media Signage'.
- Bharti Airtel digital TV strengthened its interactive services portfolio with the launch of new services- iDarshan, iGoodlife and iKisaan.
- Bharti Airtel digital TV launched its 3D-ready HD Recorder, offering unique features of Automatic Favourites, Search and Genre and Category sort.
- Bharti Airtel joined hands with Zoomin.com – India's No.1 photo service, to announce the launch of Airtel photo service which enables broadband customers to import and store unlimited number of photos on their own personal space on the cloud. The service also enables customers to add a personal touch to gifts such as calendars, t-shirts, mugs, photobooks using photos, themes along with a personal message. They can choose from a range of

themes, funky art clips and designed templates and add captions of their choice.

- Bharti Airtel, in partnership with BigFlix, launched Airtel Movies - a unique on-demand digital video library with original DVD quality content that would be available exclusively to Airtel broadband customers in the form of a unique add on monthly pack. With this, customers can enjoy over 500 Movies along with 100 TV shows, 100 trailers and 100 music videos @ just Rs. 229 per month on their computer/laptop/tablet at home. The service can also be accessed on WiFi and movies can be enjoyed anywhere in the house.
- Bharti Airtel announced the launch of its new broadband plans, with minimum speed at 2mbps in its Top 10 cities- Delhi, Noida, Gurgaon, Faridabad, Ghaziabad, Bangalore, Chennai, Hyderabad, Mumbai and Pune. In all its other markets, across its service areas in the country, the new plans from Airtel will start from 1mbps onwards.
- Bharti Airtel launched the world's first USSD-based Facebook® access service in India – Facebook by Fonetwish for its mobile customers, who can now update their Facebook status for free and enjoy additional activities for only 1 rupee per day - without activating data services.

5.2 Africa

Key Industry Developments

Chad

- **Survey on Quality of Service (QoS)**
The regulator has conducted a survey in May 2011 on quality of service wherein Airtel emerged as the operator providing the best quality network.

Congo B

- **3G License**
The 3G license terms and conditions have been discussed, agreed and signed with the regulatory authority.

Gabon

- **Access to SAT 3**
Airtel Gabon and Gabon Telecom signed a MoU whereby Airtel will have access to the SAT-3 submarine cable. The agreement provides for an 80% tariff decrease.

Ghana

- **MNP**
MNP was officially launched on July 07, 2011.

Kenya

- **Interconnect Rate**
The Communication Commission of Kenya (CCK) has suspended the previously announced glide path for up to 12 months. The new interconnect rate of KSH 1.44 which

was supposed to be implemented from July 01, 2011 has been delayed.

Madagascar

- **3G Licence**
Import of 3G equipments has been authorized by the regulator.

Malawi

- **Monitoring International Incoming calls**
Airtel along with other operators, have formally objected to the regulator's intention for the introduction of Consolidated Information & Communication Technology (ICT) Regulatory Management Systems, which is meant for the monitoring and control of international incoming calls along with an increase of the termination rates charged into the country.

Nigeria

- **MNP**
The Nigerian Communications Commission (NCC) has announced implementation of MNP with the anticipated timeline for rollout being March 2012.
- **Lawful Interception (LI)**
The Nigerian Communications Commission (NCC) has mandated all Telecommunications Operators to make their respective networks lawful interception compliant. Airtel has commenced last mile testing of lawful Interception with the National Security Adviser Monitoring Unit.

Tanzania

- **Regulations**
Draft industry regulations have been issued in June 2011 for the Electronic & Postal Communications Act relating to: "co location and site sharing, account separation, competition, tariff, frequency, licensing, quality of service, mobile number portability, consumer protection, broadcasting, equipment identification register, emergency response and numbering. A consultation workshop will now be held with all parties."

Uganda

- **Spectrum Issues**
The regulator has informed that a frequency reallocation of the 900MHz band is to be implemented.

Zambia

- **Quality of Service (QoS) Guidelines**
The regulator has issued draft Quality of Service (QoS) guidelines in May 2011 and requested for feedback which has been provided.

5.3 Results of Operations

The company has reported its (1) audited financial results for the quarter ended June 30, 2010; (2) audited financial results for the quarter ended June 30, 2011. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Key Highlights - For the quarter ended June 30, 2011

- **Net addition of 9.95 million customers.**
- **Total Revenues of Rs 169.7 billion (up 39% Y-o-Y).**
- **EBITDA Rs 57.1 billion (up 28% Y-o-Y).**
- **Cash profit from operations of Rs 48.5 billion (up 20% Y-o-Y).**
- **Net Income of Rs 12.2 billion (down 28% Y-o-Y).**

Bharti Airtel Consolidated

Quarter ended June 30, 2011

Customer Base

As on June 30, 2011, the company had an aggregate of 230.8 million customers consisting of 221.2 million Mobile, 3.3 million Telemedia and 6.3 million Digital TV customers. Its total customer base as on June 30, 2011 increased by 25.9% compared to the customer base as on June 30, 2010.

Revenues/Turnover

During the quarter ended June 30, 2011, the company recorded revenues of Rs 169,749 million, a growth of 38.6% compared to the quarter ended June 30, 2010. Non-voice revenue contributed to approximately 16.0% of the total revenues for the quarter.

Operating Expenses (ex-revenue share license and spectrum fee) During the quarter ended June 30, 2011; the company incurred an operating expenditure of Rs 75,672 million representing 45% of the total revenues. The operating expense comprises:

- Rs 37,308 million towards network operations costs (22.0% of total revenues)
- Rs 876 million towards cost of goods sold (0.5% of total revenues)
- Rs 9,246 million towards employee costs (5.4% of total revenues) and
- Rs 28,242 million towards selling general and administrative costs (16.6% of total revenues).

EBITDA, Finance Cost and Cash Profit from Operations

During the quarter ended June 30, 2011, the company had an EBITDA of Rs 57,058 million; growth of 28% compared to the quarter ended June 30, 2010. The reported EBITDA margin for the quarter was 33.6%.

The net finance cost for the quarter ended June 30, 2011 was Rs 8,550 million. The interest on borrowings during the quarter was Rs 5,932 million, the finance charges during the quarter was Rs 1,297 million, the investment income (primarily related to income on marketable securities) was Rs 495 million and expense of Rs 1,816 million was effect of exchange fluctuation and derivative accounting.

The cash profit from operations after derivative and exchange fluctuations for the quarter was Rs 48,508 million, an increase of 20% as compared to the quarter ended June 30, 2010. During the quarter ended June 30, 2011, the company had depreciation and amortization expenses of Rs 31,314 million.

Profit / (Loss) Before Tax (PBT)

The Profit / (Loss) before tax for the quarter was Rs 17,195 million, a decrease of 17%, as compared to the quarter ended June 30, 2010. The current tax for the quarter ended June 30, 2011 was Rs 6,429 million and deferred tax expense / (income) was Rs (1,288) million.

Net income

The net income for the quarter ended June 30, 2011 was Rs 12,152 million with a Y-o-Y decline of 28%.

Statement of Financial Position

As on June 30, 2011, the company had total assets of Rs 1,483,836 million, and total liabilities of Rs 957,473 million respectively. The difference of Rs 526,363 million was on account of Equity attributable to equity holders of parent and non-controlling interest.

The company had a net debt of Rs 600,186 million (US\$ 13,421 million) as on June 30, 2011, resulting in a Net Debt to EBITDA (LTM) of 2.77.

Capital Expenditure

During the quarter ended June 30, 2011, the company incurred capital expenditure of Rs 43,483 million.

Human Resources

As on June 30, 2011, the company had a total of 22,858 employees.

Mobile Services – India & South Asia

Customer Base, Churn, ARPU and MoU - India

As at the end of the quarter the company had 169.2 million GSM mobile customers on its network, which accounted for a market share of 19.8% of the all India mobile market.

During the quarter, Bharti's share of net additions was 16.7% of all India wireless subscriber net additions.

The average monthly churn for the quarter ended June 30, 2011 was 6.4%.

During the quarter blended ARPU was Rs 190 (US\$ 4.3) per month as compared to Rs 194 (US\$ 4.3) per month in the quarter ended March 31, 2011. The blended monthly usage per customer, during the quarter was at 445 minutes. The Average rate per minute during the quarter was 42.8 paisa. Non voice revenue, which includes Voice Mail Service, Call Management, Airtel Talkies and other value added services like Hello Tunes, Music on Demand and Airtel Live contributed to approximately 14.6% of the total revenues of the segment.

Revenues, EBITDA and EBIT

The revenues for the quarter ended June 30, 2011 for mobile services stood at Rs 98,404 million, a growth of 11.4% over the corresponding quarter last year. The revenue from this segment contributed to 78% of the total revenues of India & South Asia. The EBITDA during the quarter ended June 30, 2011 was Rs 33,614 million representing a growth of 5.4% over the quarter ended June 30, 2010. The EBITDA margin for the quarter ended June 30, 2011 was 34.2%. The EBIT for the quarter ended June 30, 2011 was Rs 20,853 million as compared to Rs 22,236 million for the quarter ended June 30, 2010, a decline of 6.2%.

Capital Expenditure

During the quarter ended June 30, 2011, the company incurred a capital expenditure of Rs 13,452 million on its Mobile Services.

Telemedia Services

Customer Base and ARPU

At the end of the quarter ended June 30, 2011, the company had its Telemedia operations in 87 cities. During the quarter, the company added 25,818 customers on its Telemedia networks with 3.3 million customers as on June 30, 2011. The company had approximately 1.43 million customers 43.1% of the total customer base subscribing to broadband (DSL) services.

The ARPU for the quarter was Rs 952 (US\$ 21.3) per month.

Revenues, EBITDA and EBIT

For the quarter ended June 30, 2011, the revenues from Telemedia operations of Rs 9,457 million, represented a growth of 5.5% over the corresponding quarter last year. The EBITDA for the quarter was Rs 4,304 million compared to Rs 3,939 million in the corresponding prior year quarter, an increase of 9.3%. The EBITDA margin for this segment was 45.5% for the quarter ended June 30, 2011. The EBIT for the quarter ended June 30, 2011 was Rs 2,220 million.

Capital Expenditure

During the quarter ended June 30, 2011, the company incurred a capital expenditure of Rs 3,113 million on its Telemedia Services.

Enterprise Services

Revenues, EBITDA and EBIT

The revenues for the quarter ended June 30, 2011 for Enterprise services stood at Rs 10,410 million, a growth of 1.8% over the corresponding quarter last year. The revenue from this segment contributed to 8% of the total revenues of India & South Asia. The EBITDA during the quarter ended June 30, 2011 was Rs 2,303 million, a decline of 9.4% over the corresponding quarter last year. The EBITDA margin for

the quarter ended June 30, 2011 was 22.1%. The EBIT for the quarter ended June 30, 2011 was Rs 683 million as compared to Rs 1,450 million for the quarter ended June 30, 2010, a decline of 52.9%.

Capital Expenditure

During the quarter ended June 30, 2011, the company incurred a capital expenditure of Rs 933 million on its Enterprise Services.

Passive Infrastructure Services

Revenues, EBITDA and EBIT

For the quarter ended June 30, 2011, the revenues from its Passive Infrastructure Services were Rs 22,767 million. The EBITDA for the quarter ended June 30, 2011 was Rs 8,585 million. The EBITDA margin for the quarter ended June 30, 2011 was 37.7%. The EBIT for the quarter ended June 30, 2011 was Rs 3,433 million.

Capital Expenditure

During the quarter ended June 30, 2011, the company incurred a capital expenditure of Rs 4,115 million on its Passive Infrastructure Services.

Towers and Sharing Operators – Infratel

As at the end of the quarter, the company had 32,942 towers. Sharing factor for the quarter ended June 30, 2011 was 1.77 times.

Towers and Sharing Operators – Indus Towers

As at the end of the quarter, the company had 108,922 towers. Sharing factor for the quarter ended June 30, 2011 was 1.87 times.

Mobile Services - Africa

Customer Base, ARPU and MoU

As at the end of the quarter the company had 46.3 million GSM mobile customers on its network. During the quarter, the company added 2.1 million customers. The ARPU for the quarter was US\$ 7.3 per month. The blended monthly usage per customer, during the quarter was at 121 minutes.

Revenues, EBITDA and EBIT

During the quarter, the revenue for Africa's Operation's was US\$ 979 million and EBITDA was US\$ 261 million (EBITDA margin 26.7%). The EBIT for the quarter ended June 30, 2011 was US\$ 65 million.

Capital Expenditure

During the quarter ended June 30, 2011, the company incurred a capital expenditure of US \$ 420 million on its African Operation.

SECTION 6

STOCK MARKET HIGHLIGHTS

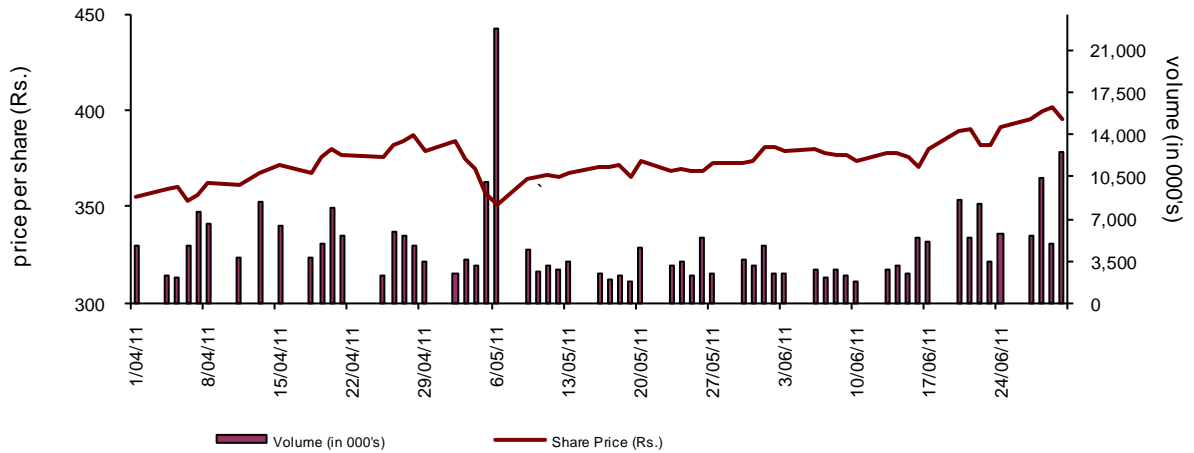
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (30/06/11)	Mn Nos	3,797.53
Closing Market Price - BSE (30/06/11)	Rs /Share	395.25
Combined Volume (NSE & BSE) (01/04/11-30/06/11)	Nos in Mn/day	4.69
Combined Value (NSE & BSE) (01/04/11-30/06/11)	Rs bn /day	1.76
Market Capitalization	Rs bn	1,501
Market Capitalization	US\$ bn	33.56
Book Value Per Equity Share	Rs /share	131.26
Market Price/Book Value	Times	3.01
Net Debt to EBITDA (LTM)	Times	2.77
Enterprise Value	Rs bn	2,101
Enterprise Value	US\$ bn	46.98
Enterprise Value/ Annualised Q1 Revenue	Times	3.09
Enterprise Value/ Annualised Q1 EBITDA	Times	9.21

6.2 Summarized Shareholding pattern as of June 30, 2011

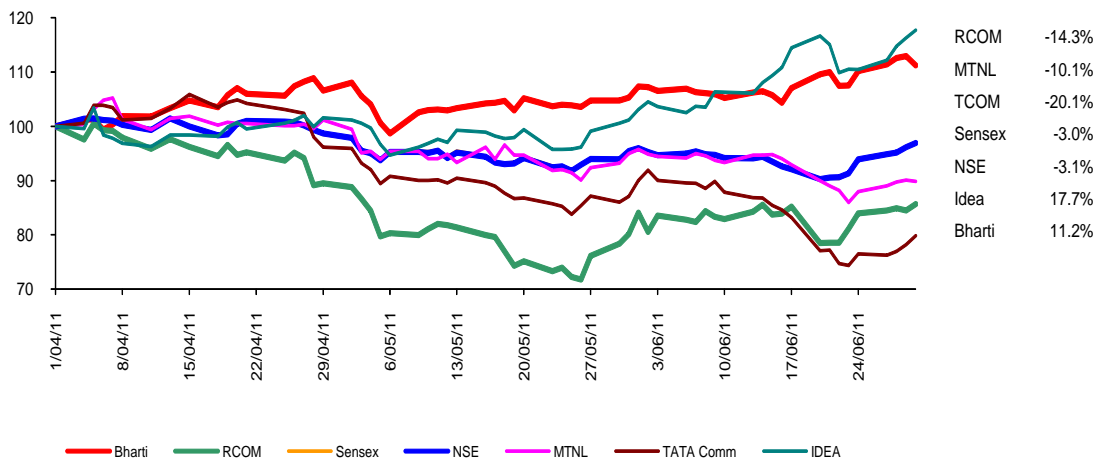
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,727,739,056	45.50%
Foreign	865,673,286	22.80%
Sub total	2,593,412,342	68.29%
Public Shareholding		
Institutions	989,701,874	26.06%
Non-institutions	214,415,880	5.65%
Sub total	1,204,117,754	31.71%
Total	3,797,530,096	100.00%

6.3 Bharti Airtel Daily Stock price (BSE) and Volume (Combined of BSE & NSE) Movement



Source: Bloomberg

6.4 Comparison of Domestic Telecom stock movement with Sensex and Nifty



Source: Bloomberg

SECTION 7

Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit / (Loss) from Operating Activities	Page 26
Earnings before Interest and Taxation (EBIT)	Profit / (Loss) from Operating Activities	Page 26
Profit / (Loss) after current tax expenses	Profit / (Loss) before taxation	Page 26
Minority Interest	Non - Controlling Interest	NA
Capex	NA	NA
Operating Free Cash flow	NA	NA

7.1 **Reconciliation of Non-GAAP financial information based on IFRS**

Consolidated

Particulars	Amount in Rs mn
	Quarter Ended June 2011
Profit / (Loss) from Operating Activities To EBITDA	
Profit / (Loss) from Operating Activities	25,744
Add: Depreciation and Amortization	31,314
EBITDA	57,058
Profit / (Loss) from Operating Activities to Cash Profit from Operations after Derivative & Exchange Fluctuation	
Profit / (Loss) from Operating Activities	25,744
Add: Depreciation and Amortization	31,314
Add: Finance income	696
Less: Finance expense	9,246
Cash Profit from Operations	48,508
Profit / (Loss) before tax to Profit / (Loss) after Current tax expense	
Profit / (Loss) before tax	17,195
Less: Current tax expense	6,429
Profit / (Loss) after current tax expense	10,766

7.2 Schedules to Financial Statements

7.2.1 India & South Asia

7.2.1.1 Schedule of Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended June 30, 2011
Access charges	13,847
Licence fees, revenue share & spectrum charges	13,025
Network operations costs	30,005
Cost of goods sold	231
Employee costs	5,257
Selling, general and administration expense	18,000
Operating Expenses	80,365

7.2.1.2 Schedule of Depreciation & Amortisation

Amount in Rs mn

Particulars	Quarter Ended June 30, 2011
Fixed Assets	20,020
Licence Fees	1,792
Intangibles	720
Depreciation and Amortization	22,532

7.2.1.3 Schedule of Net Debt

Amount in Rs mn

Particulars	As at June 30, 2011
Long term debt, net of current portion	108,415
Short-term borrowings and current portion of long-term debt	55,923
Less:	
Cash and Cash Equivalents	4,330
Restricted Cash	149
Restricted Cash, non-current	437
Short term investments	12,775
Net Debt	146,647

7.2.1.4 Schedule of Finance Cost

Amount in Rs mn

Particulars	Quarter Ended June 30, 2011
Interest on borrowings	2,340
Finance Charges	417
Investment Income	(503)
Derivatives and exchange fluctuation	314
Finance cost (net)	2,569

Note 14: Inter segment borrowing cost / income eliminated within respective segments

7.2.1.5 Schedule of Income Tax

Amount in Rs mn

Particulars	Quarter Ended June 30, 2011
Current tax expense	4,706
Deferred tax expense / (income)	540
Income tax expense	5,246

7.2.2 Africa & Africa Others

7.2.2.1 Schedule of Operating Expenses

Amount in US\$ mn

Particulars	Quarter Ended June 30, 2011	
	Africa	Africa Others
Access charges	191	0
Licence fees, revenue share & spectrum	43	0
Network operations costs	165	0
Cost of goods sold	14	0
Employee costs	84	9
Selling, general and administration	222	6
Operating Expenses	719	15

7.2.2.2 Schedule of Depreciation & Amortisation

Amount in US\$ mn

Particulars	Quarter Ended June 30, 2011	
	Africa	Africa Others
Fixed Assets	65	0
Licence Fees	11	0
Intangibles	121	0
Depreciation and Amortization	196	0

7.2.2.3 Schedule of Net Debt

Amount in US\$ mn

Particulars	As at June 30, 2011	
	Africa	Africa Others
Long term debt, net of current portion	1,290	6,575
Short-term borrowings and current portion of long-term debt	414	3,009
Less:		
Cash and Cash Equivalents	201	5
Restricted Cash	10	0
Restricted Cash, non-current	6	0
Net Debt	1,487	9,579

7.2.2.4 Schedule of Finance Cost

Amount in US\$ mn

Particulars	Quarter Ended June 30, 2011	
	Africa	Africa Others
Interest on borrowings	40	42
Finance Charges	11	9
Investment Income	(1)	0
Derivatives and exchange fluctuation	32	0
Finance cost (net)	82	52

Note 15: Inter segment borrowing cost / income eliminated within respective segments

7.2.2.5 Schedule of Income Tax

Amount in US\$ mn

Particulars	Quarter Ended June 30, 2011	
	Africa	Africa Others
Current tax expense	39	0
Deferred tax expense / (income)	(41)	0
Income tax expense	(2)	0

ANNEXURE – DETAILED FINANCIAL AND RELATED INFORMATION

A.1 Financial Statements as per International Financial Reporting Standards (IFRS)

A.1.1 Consolidated Statement of Operations (as per IFRS)

Particulars	Amount in Rs mn, except ratios		
	Quarter Ended		Y-on-Y Growth
	June 2011	June 2010	
Revenue	169,749	122,438	39%
Other operating income	79	418	-81%
Operating expenses	(112,769)	(78,401)	44%
Depreciation & amortisation	(31,314)	(19,467)	61%
Profit / (Loss) from operating activities	25,745	24,988	3%
Share of results of associates	0	(71)	
Profit / (Loss) before interest and tax	25,745	24,917	3%
Finance income	696	2,510	-72%
Finance costs	(9,246)	(6,708)	38%
Profit / (Loss) before tax	17,195	20,719	-17%
Income tax income/(expense)	(5,141)	(3,750)	37%
Net income / (loss) for the period	12,054	16,969	-29%
Other comprehensive income / (loss)			
Exchange differences on translation of foreign operations	(1,181)	(4,184)	
Other comprehensive income / (loss) for the period, net of tax	(1,181)	(4,184)	
Total comprehensive income / (loss) for the period, net of tax	10,873	12,785	-15%
Income Attributable to :			
Equity holders of the parent	12,152	16,816	-28%
Non controlling interests	(98)	153	-164%
Net Income / (Loss)	12,054	16,969	-29%
Total comprehensive income / (loss) attributable to :			
Equity holders of the parent	10,931	12,641	-14%
Non controlling interests	(58)	144	
Comprehensive Income / (Loss)	10,873	12,785	-15%
Earning Per Share			
Basic, profit attributable to equity holders of parent (In Rs)	3.20	4.43	
Diluted, profit attributable to equity holders of parent (In Rs)	3.20	4.43	

A.1.2 Consolidated Statement of Financial Position (as per IFRS)

Particulars	Amount in Rs mn	
	As at June 30, 2011	
Assets		
Non-current assets		
Property, plant and equipment	653,797	
Intangible assets	633,583	
Investment in associates	-	
Derivative financial assets	2,115	
Other financial assets	8,656	
Other non - financial assets	9,593	
Deferred tax asset	43,493	
	1,351,237	
Current assets		
Inventories	2,223	
Trade and other receivable	60,598	
Derivative financial assets	2,569	
Prepayments and other assets	33,990	
Income tax recoverable	6,294	
Short term investments	12,775	
Other financial assets	596	
Cash and cash equivalents	13,554	
	132,599	
Total assets	1,483,836	
Equity and liabilities		
Equity		
Issued capital	18,988	
Treasury shares	(535)	
Advances against equity	-	
Share premium	56,499	
Retained earnings / (deficit)	369,630	
Foreign currency translation reserve	12,797	
Other components of equity	41,079	
Equity attributable to equity holders of parent	498,458	
Non-controlling interest	27,905	
Total equity	526,363	
Non-current liabilities		
Borrowing	460,118	
Deferred revenue	8,863	
Provisions	6,257	
Derivative financial liabilities	95	
Deferred tax liability	10,468	
Other financial liabilities	17,163	
Other non - financial liabilities	5,885	
	508,849	
Current liabilities		
Borrowing	167,720	
Deferred revenue	30,421	
Provisions	1,358	
Other non - financial liabilities	13,880	
Derivative financial liabilities	283	
Income tax liabilities	6,336	
Trade & other payables	228,626	
	448,624	
Total liabilities	957,473	
Total equity and liabilities	1,483,836	

A.1.3 Consolidated Statement of Cash Flows (as per IFRS)

Particulars	Amount in Rs mn
	Quarter Ended June 30, 2011
Cash flows from operating activities	
Profit before tax	17,195
Adjustments for -	
Depreciation and amortization	31,314
Finance income	(696)
Finance cost	9,246
Amortization of stock based compensation	274
Other non-cash items	817
Operating cash flow before changes in assets and liabilities	58,150
Trade & other receivables and prepayments	(9,157)
Inventories	(111)
Trade and other payables	19,445
Change in provision	627
Other financial and non financial liabilities	3,145
Other financial and non financial assets	(828)
Cash generated from operations	71,271
Interest received	244
Income tax paid	(5,318)
Net cash inflow from operating activities	66,197
Cash flows from investing activities	
Proceeds/(Purchase) of property, plant and equipment	(33,734)
Purchase of intangible assets	(660)
Short term investments (Net)	(6,272)
Investment in subsidiary, net of cash acquired	(24,147)
Loan to associates	(100)
Net cash outflow from investing activities	(64,913)
Cash flows from financing activities	
Proceeds from issuance of term borrowings	66,421
Repayment of borrowings	(55,603)
Purchase of Treasury stock	(329)
Interest paid	(6,815)
Proceeds from exercise of stock options	29
Net cash inflow / (outflow) from financing activities	3,703
Net (decrease) / increase in cash and cash equivalents during the period	4,987
Effect of exchange rate changes on cash and cash equivalents	(309)
Add : Balance as at the Beginning of the period	6,008
Balance as at the end of the period	10,686

Note 16: Cash and Cash Equivalents is excluding bank overdraft

A.2 Trend and Ratio Analysis

The financial figures used in the quarterly trends are based on IFRS financial statements

A.2.1 Based on Statement of Operations

Consolidated

Amount in Rs mn

Parameters	For the Quarter Ended				
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Total Revenues	169,749	162,930	157,721	152,294	122,438
Access and interconnection charges	22,158	21,379	20,273	18,839	14,227
Operating Expenses (Excl Access Charges & License Fee)	75,672	72,945	73,913	69,050	52,074
Licence Fee	14,939	13,887	13,561	13,052	12,100
EBITDA	57,058	54,830	50,072	51,360	44,456
Cash profit from operations after Derivative and Exchange Fluctuations	48,508	48,004	42,603	48,041	40,258
Profit / (Loss) before tax	17,195	18,302	15,495	22,267	20,719
Net income	12,152	14,007	13,033	16,612	16,816
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
As a % of Total Revenues					
Access and interconnection charges	13.1%	13.1%	12.9%	12.4%	11.6%
Operating Expenses (Excl Access Charges & License Fee)	44.6%	44.8%	46.9%	45.3%	42.5%
Licence Fee	8.8%	8.5%	8.6%	8.6%	9.9%
EBITDA	33.6%	33.7%	31.7%	33.7%	36.3%
Cash profit from operations after Derivative and Exchange Fluctuations	28.6%	29.5%	27.0%	31.5%	32.9%
Profit / (Loss) before tax	10.1%	11.2%	9.8%	14.6%	16.9%
Net income	7.2%	8.6%	8.3%	10.9%	13.7%

India & South Asia

Amount in Rs mn

Parameters	For the Quarter Ended				
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Total Revenues	126,306	121,471	117,374	113,456	112,855
Access and interconnection charges	13,847	13,127	12,912	12,372	12,775
Operating Expenses (Excl Access Charges & License Fee)	53,493	51,435	50,310	47,196	46,017
Licence Fee	13,025	12,344	11,904	11,525	11,742
EBITDA	46,006	44,674	42,344	42,453	42,739
Cash profit from operations after Derivative and Exchange Fluctuations	43,435	42,985	40,833	42,708	40,548
Profit / (Loss) before tax	20,902	21,831	21,771	24,469	23,008
Net income	15,167	18,169	18,282	20,398	19,048
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
As a % of Total Revenues					
Access and interconnection charges	11.0%	10.8%	11.0%	10.9%	11.3%
Operating Expenses (Excl Access Charges & License Fee)	42.4%	42.3%	42.9%	41.6%	40.8%
Licence Fee	10.3%	10.2%	10.1%	10.2%	10.4%
EBITDA	36.4%	36.8%	36.1%	37.4%	37.9%
Cash profit from operations after Derivative and Exchange Fluctuations	34.4%	35.4%	34.8%	37.6%	35.9%
Profit / (Loss) before tax	16.5%	18.0%	18.5%	21.6%	20.4%
Net income	12.0%	15.0%	15.6%	18.0%	16.9%

Mobile Africa*Amount in US\$ mn*

Parameters	For the Quarter Ended				
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Total Revenues	979	924	911	838	205
Access and interconnection charges	191	187	167	140	31
Operating Expenses (Excl Access Charges & License Fee)	484	459	518	464	109
Licence Fee	43	34	36	33	9
EBITDA	261	243	190	201	56
Cash profit from operations after Derivative and Exchange Fluctuations	179	184	110	176	26
Profit / (Loss) before tax	(17)	(5)	(71)	12	(16)
Net income	(2)	(19)	(48)	(22)	(15)
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
As a % of Total Revenues					
Access and interconnection charges	19.5%	20.2%	18.3%	16.7%	15.2%
Operating Expenses (Excl Access Charges & License Fee)	49.5%	49.7%	56.9%	55.4%	53.0%
Licence Fee	4.4%	3.7%	3.9%	3.9%	4.4%
EBITDA	26.7%	26.4%	20.8%	24.0%	27.5%
Cash profit from operations after Derivative and Exchange Fluctuations	18.3%	19.9%	12.1%	21.0%	12.8%
Profit / (Loss) before tax	-1.7%	-0.5%	-7.8%	1.4%	-7.9%
Net income	-0.2%	-2.1%	-5.3%	-2.7%	-7.3%

Africa Others*Amount in US\$ mn*

Parameters	For the Quarter Ended				
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Total Revenues					
Access and interconnection charges					
Operating Expenses (Excl Access Charges & License Fee)	15	19	16	7	20
EBITDA	(15)	(19)	(16)	(7)	(20)
Cash profit from operations after Derivative and Exchange Fluctuations	(66)	(73)	(70)	(59)	(33)
Profit / (Loss) before tax	(66)	(73)	(70)	(59)	(33)
Net income	(66)	(73)	(70)	(59)	(33)

A.2.2 Based on Statement of Financial Position

Consolidated

Amount in Rs mn

Parameters	As at				
	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Equity attributable to equity holders of parent	498,458	487,668	467,838	462,174	435,037
Net Debt	600,186	599,512	598,477	601,438	602,308
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,098,644	1,087,180	1,066,315	1,063,612	1,037,345

Parameters	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10
Return on Equity attributable to equity holders of parent (LTM)	11.8%	13.3%	15.4%	18.5%	21.3%
Return on Capital Employed (LTM)	8.2%	9.2%	11.2%	13.9%	18.4%
Net Debt to EBITDA ¹⁷ (LTM)	2.77	2.82	2.86	2.93	2.86
Assets Turnover ratio (LTM)	59.2%	58.0%	61.0%	66.2%	76.4%
Interest Coverage ratio (times)	9.62	10.11	10.02	10.23	17.86
Book Value Per Equity Share (in Rs)	131.3	128.4	123.2	121.7	114.6
Net debt to Equity attributable to equity holders of parent (Times)	1.20	1.23	1.28	1.30	1.38
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	3.20	3.69	3.43	4.38	4.43
Net profit/(loss) per diluted share (in Rs)	3.20	3.69	3.43	4.38	4.43
Market Capitalization (Rs. bn)	1,501	1,358	1,361	1,390	1,000
Enterprise Value (Rs. bn)	2,101	1,957	1,960	1,991	1,602

Note 17: EBITDA before Re-Branding / Acquisition cost

A.2.3 Bharti's Three Line Graph

The company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

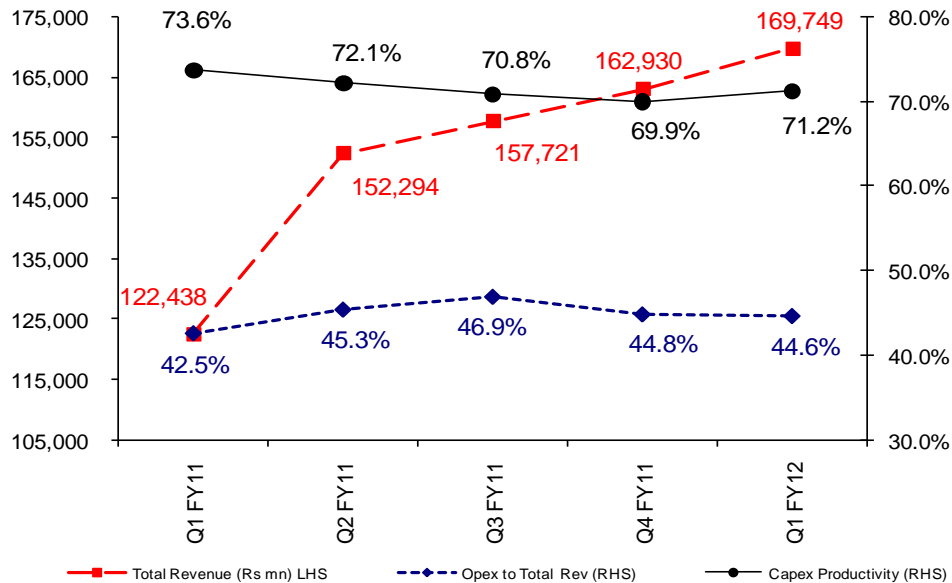
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – operating expenses divided by the total revenues for the respective period. Operating expenses is the sum of (i) equipment costs (ii) employee costs (iii) network operations costs & (iv) selling, general and administrative costs. This ratio depicts the operational efficiencies in the company.

3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) 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.

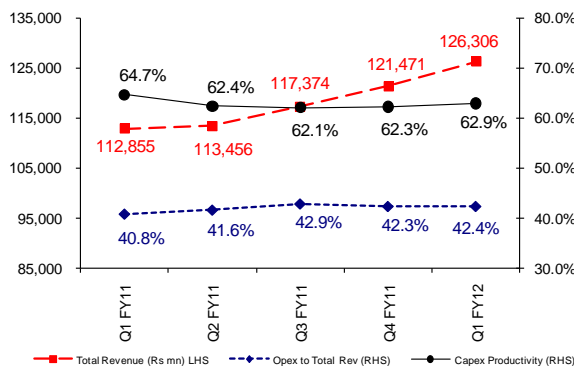
The company believes that as long as the absolute revenues keep increasing periodically, opex productivity stabilizes or keeps coming down and capex productivity keeps improving, the company's overall financial health can be tracked.

Given below are the graphs for the last five quarters of the company:

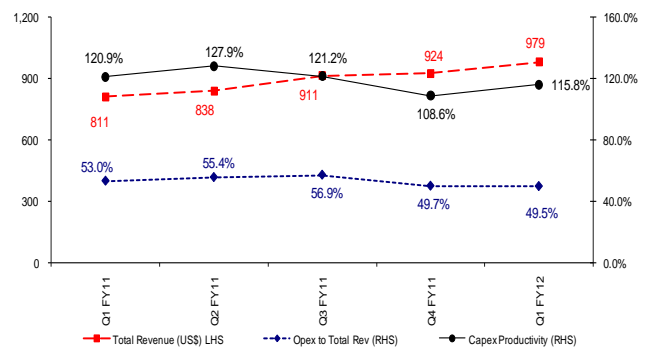
A.2.3.1 Bharti Airtel Consolidated



A.2.3.2 Bharti Airtel - India & South Asia



A.2.3.3 Bharti Airtel - Africa



Note 18: Q1 FY11 revenue has been pro-rated for 91 days.

Note 19: Three Line Graph for Bharti Airtel – Africa depicts Mobile Africa.

A.2.4 Operational Performance - India

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Customers	000's	178,771	171,162	160,685	150,407	143,017
Mobile Services						
Customers	000's	169,187	162,203	152,495	143,292	136,620
Airtel's Wireless Market Share	%	19.8%	20.0%	20.3%	20.8%	21.5%
Net Additions	000's	6,984	9,708	9,203	6,672	9,001
Airtel's Market Share of Net Additions	%	16.7%	16.3%	14.3%	12.8%	17.6%
Prepaid Customers as a % of total customers	%	96.3%	96.3%	96.2%	96.1%	96.0%
Average Revenue Per User (ARPU)	Rs	190	194	199	202	216
Average Revenue Per User (ARPU)	US\$	4.3	4.3	4.4	4.5	4.6
Average Rate Per Minute (ARPM)	Paisa	42.8	43.3	44.3	44.5	44.9
Average Minutes of Use Per User	Min	445	449	449	454	480
Monthly Churn	%	6.4%	7.6%	7.8%	5.9%	5.8%
Non Voice Revenue as a % of mobile revenues	%	14.6%	15.0%	13.8%	12.7%	11.6%
Telemedia Services						
Customers	000's	3,322	3,296	3,257	3,216	3,153
Net Additions	Nos	25,818	38,576	41,055	63,208	86,221
Average Revenue Per User (ARPU)	Rs	952	934	934	954	961
Average Revenue Per User (ARPU)	US\$	21.3	20.9	20.8	21.2	20.6

A.2.5 Traffic, Coverage and Network Trends - India

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Mobile Services	Mn Min	221,560	211,822	199,146	190,767	190,396
Telemedia Services	Mn Min	4,570	4,535	4,598	4,791	4,696
National Long Distance Services	Mn Min	19,878	19,542	18,063	17,689	17,333
International Long Distance Services	Mn Min	3,119	3,047	3,192	3,034	3,044
Total Minutes on Network (Gross)	Mn Min	249,127	238,947	225,000	216,281	215,469
Eliminations	Mn Min	(20,272)	(19,985)	(18,514)	(18,119)	(17,751)
Total Minutes on Network (Net)	Mn Min	228,854	218,961	206,486	198,162	197,718

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Mobile Services						
Census Towns	Nos	5,114	5,113	5,104	5,101	5,092
Non-Census Towns & Villages	Nos	452,719	452,215	450,293	445,893	440,023
Population Coverage	%	86.2%	86.1%	85.8%	85.1%	84.3%
Optic Fibre Network	R Kms	148,792	144,557	139,541	134,026	129,244
Network Sites	Nos	117,144	116,261	113,587	110,038	105,394
Telemedia Services						
Cities covered	Nos	87	87	87	88	88
Submarine Cable Systems						
	Nos	7	7	6	5	4

A.2.6 Passive Infrastructure Services

A.2.6.1 Bharti Infratel Consol

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Total Towers ²⁰	Nos	78,689	78,398	77,695	76,535	75,254
Total Tenancies ²⁰	Nos	144,706	142,039	137,209	132,917	129,248
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	33,533	32,828	33,524	33,898	33,064
Sharing Factor	Times	1.83	1.79	1.75	1.73	1.70

Note 20: Total Towers and Tenancies include proportionate consolidation of 42% of Indus Towers.

A.2.6.2 Bharti Infratel Standalone

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Total Towers²¹	Nos	32,942	32,792	32,424	31,831	31,196
Total Tenancies	Nos	58,624	57,645	55,253	52,776	51,509
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	36,203	36,599	37,859	38,041	36,290
Sharing Factor	Times	1.77	1.73	1.68	1.65	1.65

Note 21: Total Towers are excluding 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009.

A.2.6.3 Indus Towers

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Total Towers	Nos	108,922	108,586	107,789	106,438	104,901
Total Tenancies	Nos	204,958	200,938	195,133	190,811	185,093
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	31,963	30,501	30,847	31,389	30,379
Sharing Factor	Times	1.87	1.83	1.80	1.78	1.75

Note 22: Indus KPIs are on 100% basis.

A.2.7 Human Resource Analysis - India

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Consolidated						
Total Employees ²³	Nos	16,545	16,830	17,152	17,387	17,694
Number of Customers per employee	Nos	10,805	10,170	9,368	8,651	8,083
Personnel Cost per employee per month	Rs	111,741	102,657	100,103	101,050	92,152
Gross Revenue per employee per month	Rs	2,504,062	2,365,105	2,246,448	2,144,059	2,099,334

Note 23: Total Employee count of India includes proportionate consolidation of 42% of Indus Towers employees.

A.2.8 Operational Performance – Africa

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Customers	000's	46,306	44,206	42,124	40,082	36,362
Airtel's Wireless Market Share	%	NA	NA	NA	NA	NA
Net Additions	000's	2,100	2,082	2,043	3,720	36,362
Airtel's Market Share of Net Additions	%	NA	NA	NA	NA	NA
Prepaid Customers as a % of total customers	%	99.3%	99.3%	99.3%	99.3%	99.3%
Average Revenue Per User (ARPU)	US\$	7.3	7.2	7.3	7.4	7.4
Average Rate Per Minute (ARPM)	US¢	6.0	6.2	6.1	6.6	7.2
Average Minutes of Use Per User	Min	121	115	120	112	103
Monthly Churn	%	6.3%	6.2%	5.9%	5.8%	5.6%
Non Voice Revenue as a % of mobile revenues	%	8.4%	7.8%	7.9%	7.1%	7.9%

A.2.9 Traffic, Coverage and Network Trends - Africa

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Mobile Services	Mn Min	16,337	14,915	14,904	12,782	3,695
International Long Distance Services	Mn Min	-	-	-	-	-
Total Minutes on Network (Gross)	Mn Min	16,337	14,915	14,904	12,782	3,695
Eliminations	Mn Min	-	-	-	-	-
Total Minutes on Network (Net)	Mn Min	16,337	14,915	14,904	12,782	3,695

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Mobile Servies						
Towns & Villages	Nos	NA	NA	NA	NA	NA
Population Coverage	%	NA	NA	NA	NA	NA
Network Sites	Nos	12,703	11,912	11,338	10,998	10,840

A.2.10 Human Resource Analysis - Africa

Parameters	Unit	June 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept. 30, 2010	June 30, 2010
Total Employees	Nos	5,474	5,687	6,434	6,371	6,600
Number of Customers per employee	Nos	8,459	7,773	6,547	6,291	5,509
Personnel Cost per employee per month	US\$	5,110	5,338	4,625	4,128	3,872
Gross Revenue per employee per month	US\$	59,594	54,155	47,195	45,316	42,161

A.3 Key Accounting Policies as per IFRS

1. Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income, expenses and cash flows of jointly controlled entities are combined with the equivalent items in the results on a line-by-line basis in the consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intra-group balances, income and expenses and unrealized gains and losses on transactions between the Group and its jointly controlled entities.

2. Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building	20
Network Equipment	3-20
Computer equipment	3
Office, furniture and equipment	2 - 5
Vehicles	3 - 5
Leasehold improvements	Remaining period of the lease or 10/20 years, as applicable, whichever is less
Assets individually costing Rs. 5 thousand or less	1
Customer premises equipment	5 - 6

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses arising from retirement or disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income on the date of retirement and disposal.

Costs of additions and substantial improvements to property and equipment are capitalized. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

3. Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition. Goodwill on acquisition of subsidiaries is disclosed separately. Goodwill arising on accounting for jointly controlled entities or entities in which the Group exercises significant influence is included in investments in the related associates/jointly controlled entities.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each date of statement of financial position. Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Negative goodwill arising on an acquisition is recognized directly in the statement of comprehensive income.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of comprehensive income on disposal.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

4. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Gains or losses resulting from foreign currency transactions are included in the consolidated statement of comprehensive income.

The assets and liabilities of foreign operations are translated into functional currency of parent (i.e. INR) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates prevailing during the period. The exchange differences arising on the translation are recognized in 'foreign currency translation reserve (FCTR)'. On disposal of a foreign operation, the component of FCTR relating to that particular foreign operation is recognized in the statement of comprehensive income.

5. Capital leases

Lessee accounting

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

Lessor accounting

Assets leased to others under capital leases are recognized as receivables at an amount equal to the net investment in the leased assets. The finance income is recognized based on periodic rate of return on the net investment of the lessor outstanding in respect of the capital lease.

6. Indefeasible right to use (IRU)

The Group enters into agreements for leasing assets under 'Indefeasible right to use' with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognized as operating lease. Direct expenditures incurred in connection with agreements are capitalized and expensed over the term of the agreement.

The contracted price is received in advance and is recognized as revenue during the period of the agreement. Unearned IRU revenue net of the amount recognizable within one year is disclosed as unearned income in non-current liabilities and the amount recognizable within one year as unearned income in current liabilities.

Exchange of network capabilities with other telecommunication service providers are recorded as non-monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

7. Impairment of long – lived assets and intangible assets

The Group reviews its long-lived assets, including identifiable intangibles with finite lives, for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic climate. For assets that the Group intends to hold for use, if the total of the expected future undiscounted cash flows produced by the asset or asset Group

is less than the carrying amount of the assets, a loss is recognized for the difference between the fair value and carrying value of the assets. For assets the Group intends to dispose of by sale, a loss is recognized for the amount by which the estimated fair value, less cost to sell, is less than the carrying value of the assets. Fair value is determined based on quoted market prices, if available, or other valuation techniques including discounted future net cash flows.

8. Revenue recognition

(i) Service revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and VSAT/ internet usage charges, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls.

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid cards are recognized based on actual usage. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortized over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Subscriber acquisition costs are expensed as incurred. On introduction of new prepaid products, processing fees on recharge coupons is being recognized over the estimated customer relationship period or coupon validity period, whichever is lower.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and satellite services. Registration fee and installation charges are deferred and amortized over their expected customer relationship period of 12 months. Service revenue is recognized from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and satellite services. Revenue from prepaid dialup packs is recognized on an actual usage basis and is net of sales returns and discounts.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognized on completion of services while revenue from provision of bandwidth services is recognized over the period of arrangement.

Unbilled receivables represent revenues recognized from the bill cycle date to the end of each month. These are billed in subsequent periods based on the terms of the billing plans.

Unearned income includes amounts received in advance on pre-paid cards and advance monthly rentals on post-paid. The related services are expected to be performed within the next operating cycle.

(ii) Equipment sales

Equipment sales consist primarily of revenues from sale of VSAT and internet equipment (hardware) and related accessories to subscribers. Equipment sales are treated as activation revenue and are deferred and amortized over the customer relationship period.

(iii) Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and satellite services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of the arrangement in accordance "Revenue Arrangements with Multiple Deliverables" applying the hierarchy in IAS 8.12.

Revenue is determined for each of the units of accounting on the basis of their fair values. Arrangements involving the delivery of bundled products or services shall be separated into individual elements, each with own separate revenue contribution. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., a ratio of the fair value of each element to the aggregated fair value of the bundled deliverables is generated). Where the Group has determined that the fair value of individual element is not ascertainable, equipment sales for these these arrangements are deferred and amortized over the term of the arrangement.

9. License fees

Acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognized at fair value at the acquisition date. License and spectrum entry fees are measured at cost less accumulated amortization. Amortization is charged to the statement of comprehensive income on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective jurisdiction and is disclosed as components of depreciation and amortization. The amortization period is determined primarily by reference to the unexpired license period.

Group's shares of licenses acquired under business combination are accounted for at their respective fair values as at the date of acquisition. The amounts are amortized on a straight-line basis over the remaining period of the license from the date of acquisition of respective circles.

The revenue-share fee on license and spectrum is computed as per the licensing agreement and is expensed as incurred.

10. Other intangible assets

Other intangible assets comprising enterprise resource planning software, bandwidth capacities, brands, customer relationships, distribution networks, licenses and non-compete clauses, are capitalized at the Group's share of respective fair values on the date of an acquisition. Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. The intangibles are amortized as follows:

- Software is amortized over the period of its license, not exceeding three years. Software up to Rs 500 thousand is amortised over a period of 1 year.
- Bandwidth capacities are amortized over the period of the agreement.

- Brand: Over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.
- Distribution network : Over estimated useful life
- Customer base: The estimated life of such relationships.

11. Income-taxes

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, and is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the average interest rate. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

13. Derivative financial instruments

The Group enters into derivative instruments, including interest rate swaps and foreign currency forward contracts, to manage interest rate movements of its debt obligations and foreign currency exposures related to the import of equipment used in operations and its foreign currency denominated debt instruments.

All derivative instruments are recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or in other comprehensive income, depending on whether a derivative is designated as part of a hedging relationship and, if it is, depending on the type of hedging relationship.

14. Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

15. Allowance for uncollectible accounts receivable

The allowance for uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Group provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

16. Issuance of Stock by Subsidiaries

At the time a subsidiary sells its stock to unrelated parties at a price less than or in excess of its book value, the Company's investment in that subsidiary's net assets changes. The Company's policy is to record such changes in its consolidated statement of changes in equity.

GLOSSARY

Technical and Industry Terms

Company Related	
3G	Third Generation of Mobile Telephony.
ARPU (for Mobile and Telemedia Services)	Average revenue per customer per month is computed by: dividing the total revenues, excluding equipment sales during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
ARPM (Average Rate Per Minute)	Average Rate Per Minute is computed by: Dividing the total revenues by total minutes.
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Minutes of Use per user	Average minutes of usage per customer per month is calculated by dividing the total minutes of usage (incoming, outgoing and in-roaming) on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Average Sharing Operators	Average Sharing Operators are derived by computing the average of the monthly average sharing operators for the relevant period
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Towers	Average towers are derived by computing the average of the monthly average towers for the relevant period
Bn	Billion
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by issued and outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the quarter.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity holders of parent and net debt.
Cash Profit From Operations	It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization, pre-operating costs, interest expense and interest income.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
DTH	Direct to Home broadcast service
Earnings Per Basic Share.	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.
Earnings Per Diluted Share	The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year. Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above).
EBITDA	Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization and pre-operating costs.
EBITDA Margin	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	Earnings / (Loss) before interest, taxation for the relevant period.

Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
ILD	International Long Distance Services.
Profit / (Loss) after current tax expense	It is not a IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
Investments in projects	The investment in projects comprises gross fixed assets, intangible assets, capital work in progress, gross goodwill, investment in JV's and one-time entry fee paid towards acquisition of licenses.
ICT	Information Communication Technology
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.
LTM	Last twelve months.
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period.
Mn	Million
MNP	Mobile Network Portability
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	Multi Protocol Label Switching
Network Site	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not a IFRS measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, restricted cash, restricted cash non-current, short-term investments and investments as at the end of the relevant period.
Net Debt to EBITDA	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to Funded Equity Ratio	It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period.
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as a % of consolidated revenue	It is computed by dividing the total non-voice revenue of the company (consolidated) by the total revenues for the relevant period. Non-voice revenues include VAS Revenues for Mobile, VAS and Internet Revenues for Telemedia Services and Bandwidth and Internet Revenues for Enterprise Services.
Non Voice Revenue as a % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue for mobile services includes revenues from value added services (including SMS, GPRS, MMS, Ring Back Tones etc.).
Operating Cash flow	It is computed by subtracting capex from EBITDA after acquisition related costs.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2009, 2010 and 2011. ROCE is computed by dividing the sum of net profit and finance cost (net) for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.

Return On Equity attributable to equity holders of parent	For the full year ended March 31, 2009, 2010 and 2011, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
SA	South Asia
Sharing revenue per Sharing Operator per month	It is computed by dividing gross revenue less energy and other pass through, from Passive Infrastructure services by average sharing operators.
Sharing factor	It is computed by dividing average sharing operators by average towers.
Total Tenancies	It is the sum of all operators sharing total towers.
Total Towers	It is the sum of ground based towers, roof top towers and others.
TSP	Telecom Service Provider
Total Operating Expenses	It is defined as sum of equipment costs, employee costs, network operations costs and selling, general and administrative cost for the relevant period.
Underlying EBITDA Margin	It is calculated by dividing EBITDA before re-branding and acquisition related costs for the relevant period by the Total Revenues for the relevant period.

Regulatory

ACT	Apex Advisory Council for Telecom in India
AUSPI	Association of Unified Telecom Service Providers of India.
BTSs	Base Transceiver
BWA	Broadband Wireless Access
3G	Third - Generation Technology
CDR	Call Data Record
CERT-IN	Indian Computer emergency response Team.
COAI	Cellular Operators Association of India
CMTS	Cellular Mobile Telephone Service
DoT	Department of Telecommunications
DAS	Distributed Antenna system
EMF	Electromagnetic Field
ICNIRP	International Commission for Non Ionisation Radiation Protection
ISP	Internet Service Provider
IUC	Interconnection Usage Charges
JNNURM	Jawaharlal Nehru Urban Renewal Mission
LIM	Lawful Interception and Monitoring
MNP	Mobile Number Portability
MVNO	Mobile Virtual Network Operator
OFC	Optical Fiber Communication

TEC	Telecom Engineering Centre
TERM	Telecom Enforcement, Resource and Monitoring
TRAI	Telecom Regulatory Authority of India
UASL	Unified Access Service License
UCC	Unsolicited Commercial Communication
UPC	Unique Porting Code
VSAT	Very Small Aperture Terminals

Others (Industry)

BSE	The Stock Exchange, Mumbai
RBI	Reserve Bank of India
GSM	Global System for Mobile Communications.
CDMA	Code Division Multiple Access
IGAAP	Generally Accepted Accounting Principles in India.
USGAAP	United States Generally Accepted Accounting Principles.
IFRS	International Financial Reporting Standards
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
SMS	Short Messaging Service.

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