BHARTI AIRTEL LIMITED

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

Financial results for the third quarter and nine months ended December 31, 2014

1. **Audited consolidated financial results of Bharti Airtel Limited and its subsidiaries prepared as per International Financial Reporting Standards (IFRS)**

Part I

(In Rs. Million except per share data)

S.No.	Particulars	Quarter Ended December 31, 2014 Audited	Quarter Ended September 30, 2014 Audited	Quarter Ended December 31, 2013 Audited	Nine Months Ended December 31, 2014 Audited	Nine Months Ended December 31, 2013 Audited	Year Ended March 31, 2014 Audited
1	**Total Sales / Income**	**232,281**	**228,617**	**219,607**	**690,953**	**636,030**	**858,635**
	(a) Net Sales/ Income from Operations	232,171	228,452	219,385	690,239	635,268	857,461
	(b) Other Operating Income	110	165	222	714	762	1,174
2	**Total Expenditure**	**192,439**	**190,094**	**187,789**	**575,675**	**547,837**	**736,701**
	(a) Employee Cost	11,653	11,909	11,579	35,242	34,711	46,228
	(b) Depreciation & Amortisation	38,015	38,530	39,188	116,910	117,052	156,496
	(c) License Fees & Spectrum Charges	22,172	21,559	18,824	65,656	56,139	75,971
	(d) Access & Interconnection Charges	28,804	28,078	28,755	84,771	83,191	111,923
	(e) Network Operating Expenses	53,007	51,425	51,140	155,668	146,983	197,202
	(f) Sales & Marketing	22,770	22,321	22,720	67,067	63,444	86,075
	(g) Administration & others	15,467	15,749	15,472	48,520	45,933	61,904
	(h) Other Expenditure	551	523	111	1,841	384	902
3	**Profit from Operations before Other Income, Net Finance Charges (including exchange fluctuation and related expenses), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (1-2)**	**39,842**	**38,523**	**31,818**	**115,278**	**88,193**	**121,934**
4	Other Income	-	-	-	-	-	-
5	**Profit before Net Finance Charges (including exchange fluctuation and related expenses), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (3+4)**	**39,842**	**38,523**	**31,818**	**115,278**	**88,193**	**121,934**
6	Net Finance Charges (including exchange fluctuation and related expenses)	10,523	10,264	10,754	30,430	39,010	49,040
7	Share of Loss / (Gain) in joint ventures / associates	(1,800)	(1,709)	(1,064)	(5,087)	(3,538)	(5,211)
8	**Profit after Net Finance Charges (including exchange fluctuation and related expenses), Share of Loss / (Gain) in Joint Ventures / Associates but before Exceptional Items and Tax**	**31,119**	**29,968**	**22,128**	**89,935**	**52,721**	**78,105**
9	Exceptional Items - Loss / (Gain) (Refer Note 12 below)	2,921	1,750	(674)	6,491	(2,107)	(538)
10	**Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax**	**28,198**	**28,218**	**22,802**	**83,444**	**54,828**	**78,643**
11	Tax Expense (including expense of Rs 536 Mn, and expense of Rs 1,173 Mn for the quarter and nine months ended Dec,14, respectively, benefit of Rs 62 Mn for the quarter ended Sep,14, expense of Rs 2,762 Mn and expense of Rs 3,626 Mn for the quarter and nine months ended Dec,13, respectively and expense of Rs 3,970 Mn for the year ended Mar,14 on exceptional items) (Refer Note 12 below)	13,145	14,765	16,569	43,236	34,887	48,449
12	**Net profit (+)/ loss(-) from Ordinary Activities after tax**	**15,053**	**13,453**	**6,233**	**40,208**	**19,941**	**30,194**
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	**Profit (+)/ Loss (-) for the period / year**	**15,053**	**13,453**	**6,233**	**40,208**	**19,941**	**30,194**
15	Minority Interest (including impact of Rs (531) Mn and Rs (638) Mn for the quarter and nine months ended Dec,14, respectively, Rs (107) Mn for the quarter ended Sep,14, Rs 125 Mn and Rs 1,238 Mn for the quarter and nine months ended Dec,13, respectively and Rs 1,558 Mn for the year ended Mar,14 on exceptional items) (Refer Note 12 below)	688	(379)	131	926	1,830	2,467
16	**Net Profit/(Loss) for the period / year**	**14,365**	**13,832**	**6,102**	**39,282**	**18,111**	**27,727**
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	628,777	616,212	585,089	628,777	585,089	594,692
19	**Earnings per share (Face value Rs.5/- each) (in Rs.)**						
	a. Basic and diluted EPS before Extraordinary items						
	i) Basic	3.595	3.462	1.528	9.832	4.599	7.016
	ii) Diluted	3.594	3.461	1.527	9.828	4.595	7.010
	b. Basic and diluted EPS after Extraordinary items						
	i) Basic	3.595	3.462	1.528	9.832	4.599	7.016
	ii) Diluted	3.594	3.461	1.527	9.828	4.595	7.010

Part II

S.No.	Particulars	Quarter Ended December 31, 2014 Audited	Quarter Ended September 30, 2014 Audited	Quarter Ended December 31, 2013 Audited	Nine Months Ended December 31, 2014 Audited	Nine Months Ended December 31, 2013 Audited	Year Ended March 31, 2014 Audited
A	**Particulars of Shareholding**						
1	**Public Shareholding**						
	a. Number of shares	1,384,181,356	1,384,181,356	1,389,895,924	1,384,181,356	1,389,895,924	1,386,131,356
	b. Percentage of shareholding	34.63%	34.63%	34.77%	34.63%	34.77%	34.68%
2	**Promoters and Promoter Group Shareholding**						
	a) Pledged/ Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of Shares	2,613,218,746	2,613,218,746	2,607,504,178	2,613,218,746	2,607,504,178	2,611,268,746
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.37%	65.37%	65.23%	65.37%	65.23%	65.32%

S.No.	Particulars	Quarter Ended December 31, 2014
B	**Status of investor complaints as on December 31, 2014 is as follows:**	
	Complaints pending as on October 1, 2014	Nil
	Complaints received during the quarter	2
	Complaints resolved during the quarter	2
	Complaints pending as on December 31, 2014	Nil

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

(In Rs Million)

Particulars	Quarter Ended December 31, 2014 Audited	Quarter Ended September 30, 2014 Audited	Quarter Ended December 31, 2013 Audited	Nine Months Ended December 31, 2014 Audited	Nine Months Ended December 31, 2013 Audited	Year Ended March 31, 2014 Audited
1. Segment Revenue						
Net sales/income from each segment						
a) Mobile Services India	131,634	126,342	116,446	385,501	346,000	466,835
b) Mobile Services South Asia	3,788	3,893	4,465	12,052	12,915	17,403
c) Mobile Services Africa	68,277	68,956	72,298	206,918	201,865	272,488
d) Telemedia Services	11,171	11,160	9,869	33,036	29,110	39,352
e) Airtel Business	16,177	17,038	16,195	49,325	47,056	63,361
f) Digital TV Services	6,234	6,263	5,384	18,412	15,356	20,771
g) Tower Infrastructure Services	13,692	13,744	12,592	40,764	38,026	51,087
h) Others	690	727	784	2,198	2,480	3,197
i) Unallocated	-	-	-	-	-	-
Total	**251,663**	**248,123**	**238,033**	**748,206**	**692,808**	**934,494**
Less: Inter Segment Eliminations	19,492	19,671	18,648	57,967	57,540	77,033
Net sales/Income	**232,171**	**228,452**	**219,385**	**690,239**	**635,268**	**857,461**
2. Segment Results [$]						
Profit/(Loss) before tax, net Finance Charges (including exchange fluctuation and related expenses) and exceptional items from each segment						
a) Mobile Services India	31,616	28,986	23,143	90,118	65,869	91,298
b) Mobile Services South Asia	(1,783)	(1,340)	(1,129)	(4,199)	(3,188)	(4,271)
c) Mobile Services Africa	3,188	3,819	4,731	9,780	13,102	16,983
d) Telemedia Services	2,013	2,129	1,278	5,898	4,121	5,541
e) Airtel Business	1,929	2,487	2,676	6,171	5,942	8,078
f) Digital TV Services	(360)	(676)	(1,079)	(1,662)	(3,705)	(4,812)
g) Tower Infrastructure Services	5,511	5,306	3,837	15,781	10,720	16,185
h) Others	10	16	47	41	77	62
i) Unallocated	(437)	(458)	(617)	(1,394)	(1,222)	(1,644)
Total	**41,687**	**40,269**	**32,887**	**120,534**	**91,716**	**127,420**
Less: Inter Segment Eliminations	45	37	5	169	(15)	275
Total profit/(loss) before tax , Net Finance Charges (including exchange fluctuation and related expenses) and exceptional items	**41,642**	**40,232**	**32,882**	**120,365**	**91,731**	**127,145**
Less :						
Net Finance Charges (including exchange fluctuation and related expenses)	10,523	10,264	10,754	30,430	39,010	49,040
Exceptional Items - Loss / (Gain)	2,921	1,750	(674)	6,491	(2,107)	(538)
Total profit before tax	**28,198**	**28,218**	**22,802**	**83,444**	**54,828**	**78,643**
3. Capital Employed						
(Segment assets - Segment liabilities)						
a) Mobile Services India	798,584	771,492	694,467	798,584	694,467	718,552
b) Mobile Services South Asia	21,851	22,319	11,775	21,851	11,775	11,087
c) Mobile Services Africa	527,153	551,409	635,633	527,153	635,633	629,398
d) Telemedia Services	52,116	50,261	45,422	52,116	45,422	46,700
e) Airtel Business	81,273	78,651	73,220	81,273	73,220	75,301
f) Digital TV Services	(35,368)	(34,849)	(32,172)	(35,368)	(32,172)	(33,317)
g) Tower Infrastructure Services	181,032	166,709	177,789	181,032	177,789	183,527
h) Others	(333)	(348)	(291)	(333)	(291)	(314)
i) Unallocated (net of eliminations) *	(973,457)	(946,042)	(972,158)	(973,457)	(972,158)	(991,272)
Total	**652,851**	**659,602**	**633,685**	**652,851**	**633,685**	**639,662**

*Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs. 572,524 Mn (USD 9.04 Bn), Rs. 579,738 Mn (USD 9.41 Bn), Rs 640,237 Mn (USD 10.65 Bn) and Rs 628,073 Mn (USD 10.15 Bn), for 3G and BWA licenses (including spectrum) of Rs. 30,153 Mn, Rs. 47,285 Mn, Rs 70,900 Mn, and Rs 62,900 Mn as of December 31, 2014, September 30, 2014, March 31, 2014 and December 31, 2013, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

$ Segment results include share of (loss) / gain in joint ventures / associates.

Notes to accounts

1. The above financial results for the third quarter and nine months ended December 31, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 4, 2015.

2. In terms of clause 41 of the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards (IFRS) notified by the International Accounting Standards Board, in the preparation of consolidated financial statements w.e.f. April 1, 2010 and has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company for the third quarter and nine months ended December 31, 2014 are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).

3. Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial results have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.

4. During the quarter ended December 31, 2014, the Company has made additional equity investments of USD 285 Mn (Rs. 17,521 Mn) in Bharti Airtel International (Mauritius) Limited, a wholly owned subsidiary of the Company.

5. During the quarter ended December 31, 2014, Bridge Mobile PTE Limited, a joint venture of the Company, has reduced its share capital by USD 14 Mn and has proportionately returned part of its share capital to all its joint venture partners. Accordingly, the Company has received Rs 87 Mn (USD 1 per share for 1,400,000 shares).

6. On November 24, 2014, the Company's subsidiary in Nigeria and American Towers Corporation / its subsidiaries (ATC) have entered into agreement for the sale of over 4,800 telecom towers in Nigeria to ATC. Further, on December 12, 2014, the Company's subsidiary in Zambia and Rwanda have entered into agreements with IHS Zambia Ltd and IHS Rwanda Ltd, (IHS), respectively for the sale of over 1,100 telecom towers to IHS.

   The Company's subsidiaries will have access to a dedicated portion of the towers from ATC/IHS under long term lease contracts, considered as finance lease. As the criteria stated by IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are met during the quarter, assets and associated liabilities that are part of this sale and will not be leased back amounting to Rs 21,725 Mn and Rs 2,287 Mn have been reclassified respectively as 'assets of disposal group classified as held for sale' and 'liabilities of disposal group classified as held for sale' in the statement of financial position. As of December 31, 2014, Rs. 52,490 Mn and Rs. 5,737 Mn have been reclassified as 'assets of disposal group classified as held for sale' and 'liabilities of disposal group classified as held for sale', respectively, in the statement of financial position.

7. During the quarter ended September 30, 2014, the Group formally designated for accounting purposes, a significant portion of its Euro borrowings as a hedge against net investments in subsidiaries (in 5 Francophone countries where the local currency is pegged to the Euro). Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income to offset the change in the value of the net investment being hedged. Further, during the quarter ended December 31, 2014, the Group has designated certain of its foreign currency borrowings as a cash

flow hedge of the foreign currency risk arising from the consideration for the sale of telecom towers. Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. Accordingly, during the quarter, foreign exchange gain (net) of Rs 4,177 Mn (net of non-controlling interests) has been recognised in other comprehensive income.

8. During the quarter ended December 31, 2014, the Government of India has allotted the spectrum in 900 MHz in 3 service areas. From the date of such allotment the reckoning of the validity period of 20 years has commenced and accordingly, the Group has recognized deferred payment liability of Rs 64,677 Mn.

9. On January 29, 2015 Airtel M Commerce Services Limited (AMSL), wholly owned subsidiary of the Company, has applied to Reserve Bank of India to convert its existing Prepaid Payment Instrument license into a Payments Bank license. Subject to grant of a Payments Bank license and other regulatory approvals, Kotak Mahindra Bank Limited (Kotak) will acquire 19.90% stake in AMSL

10. During the quarter ended December 31, 2014, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has transferred 276,939 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of December 31, 2014, the trust holds 542,774 equity shares.

11. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company and one of its subsidiaries for Rs 52,013 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, has not given effect to the one time spectrum charges in these financial results.

12. Exceptional items during the quarter resulted in a net loss of Rs 2,926 Mn, comprising of: (i) a charge of Rs 2,082 Mn relating to the one time translation impact of certain foreign currency liabilities in Nigeria from the Central Bank administered rates to the open market exchange rates, consequent to a notification dated November 6, 2014, (ii) a charge of Rs 684 Mn on account of restructuring activities in a few countries, (iii) a charge of Rs 558 Mn on account of settlement of certain tax disputes, (iv) credit of Rs 403 Mn on account of premature termination of an agreement by a telecom operator (v) tax expense of Rs 536 Mn made up of (a) tax provision of Rs 519 Mn on account of settlement of a tax dispute and (b) tax charge of Rs 17 Mn in respect of (ii), (iii) and (iv) above, and (vi) impact on minority interest of Rs 531 Mn in respect of (i), (ii) (iii) and (v) above.

13. Audited financial results of the Company as per IGAAP (standalone information in terms of clause 41 (VI) (b) of the Listing agreement) are as follows:

(In Rs Million)

Sl. No.	Particulars	Quarter Ended December 31, 2014 Audited	Quarter Ended September 30, 2014 Audited	Quarter Ended December 31, 2013 Audited	Nine Months Ended December 31, 2014 Audited	Nine Months Ended December 31, 2013 Audited	Year Ended March 31, 2014 Audited
1	Net Sales / Income from operations	139,952	135,813	125,142	412,043	369,820	499,185
2	Profit before tax and exceptional items	28,368	55,251	23,767	111,759	59,786	85,845
3	Profit before tax and after exceptional items	28,368	55,251	23,995	111,759	57,715	83,774
4	Profit after tax and before exceptional items	22,788	49,373	17,800	93,765	46,934	66,893
5	Profit after tax and exceptional items	22,788	49,373	17,971	93,765	45,403	66,002

14. Previous year's / periods' figures have been regrouped/ rearranged, wherever required.

For Bharti Airtel Limited
Sd/-

Gopal Vittal
Managing Director and CEO (India & South Asia)

New Delhi
February 4, 2015

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