BHARTI AIRTEL LIMITED

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

Financial results for the second quarter and half year ended September 30, 2012

1. **Consolidated summarised 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 September 30, 2012 Audited	Quarter Ended June 30, 2012 Audited	Quarter Ended September 30, 2011 Audited	Half Year Ended September 30, 2012 Audited	Half Year Ended September 30, 2011 Audited	Year Ended March 31, 2012 Audited
1	**Total Sales / Income**	202,830	193,619	172,764	396,449	342,592	715,058
	(a) Net Sales/ Income from Operations	202,732	193,501	172,698	396,233	342,447	714,508
	(b) Other Operating Income	98	118	66	216	145	550
2	**Total Expenditure**	177,882	172,703	146,452	350,585	290,535	611,616
	(a) Employee Cost	9,846	9,193	8,691	19,039	17,937	35,159
	(b) Depreciation & Amortisation	38,560	37,571	31,839	76,131	63,153	133,681
	(c) License Fees & Spectrum Charges	16,469	16,300	14,507	32,769	29,446	61,099
	(d) Access & Interconnection Charges	29,526	27,045	23,311	56,571	45,469	97,361
	(e) Network Operating Expenses	46,297	45,425	38,038	91,722	75,346	157,598
	(f) Sales & Marketing	21,536	22,389	16,613	43,925	33,682	71,369
	(g) Administration & others	16,621	14,577	13,391	30,198	25,297	54,940
	(h) Other Expenditure	27	203	62	230	205	409
3	**Profit from Operations before Other Income, Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Associates, Exceptional Items and Tax (1-2)**	24,948	20,916	26,312	45,864	52,057	103,442
4	Other Income	-	-	-	-	-	-
5	**Profit before Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Associates, Exceptional Items and Tax (3+4)**	24,948	20,916	26,312	45,864	52,057	103,442
6	Net Finance Charges (including exchange fluctuation)	10,219	8,211	11,186	18,430	19,736	38,185
7	Share of Loss / (Gain) in Associates	-	76	-	76	-	74
8	**Profit after Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Associates but before Exceptional Items and Tax**	14,729	12,629	15,126	27,358	32,321	65,183
9	Exceptional Items	-	-	-	-	-	-
10	**Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax**	14,729	12,629	15,126	27,358	32,321	65,183
11	Tax Expense	7,714	4,878	4,900	12,592	10,041	22,602
12	**Net profit (+)/ loss(-) from Ordinary Activities after tax**	7,015	7,751	10,226	14,766	22,280	42,581
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	**Profit (+)/ Loss (-) for the period / year**	7,015	7,751	10,226	14,766	22,280	42,581
15	Minority Interest	(197)	129	(44)	(68)	(142)	(13)
16	**Net Profit/(Loss) for the period / year**	7,212	7,622	10,270	14,834	22,422	42,594
17	Paid-up equity share capital (Face value Rs.5/- each)	18,988	18,988	18,988	18,988	18,988	18,988
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	503,740	501,106	473,151	503,740	473,151	493,433
19	**Earnings per share (Face value Rs.5/- each) (in Rs.)**						
	a. Basic and diluted EPS before Extraordinary items						
	i) Basic	1.900	2.008	2.707	3.909	5.909	11.225
	ii) Diluted	1.900	2.008	2.706	3.908	5.907	11.221
	b. Basic and diluted EPS after Extraordinary items						
	i) Basic	1.900	2.008	2.707	3.909	5.909	11.225
	ii) Diluted	1.900	2.008	2.706	3.908	5.907	11.221

Part II

S. No.	Particulars	Quarter Ended September 30, 2012 Audited	Quarter Ended June 30, 2012 Audited	Quarter Ended September 30, 2011 Audited	Half Year Ended September 30, 2012 Audited	Half Year Ended September 30, 2011 Audited	Year Ended March 31, 2012 Audited
A	**Particulars of Shareholding**						
1	**Public Shareholding**						
	a. Number of shares	1,196,402,920	1,196,402,920	1,202,592,443	1,196,402,920	1,202,592,443	1,196,402,920
	b. Percentage of shareholding	31.50%	31.50%	31.67%	31.50%	31.67%	31.50%
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	2,601,127,176	2,601,127,176	2,594,937,653	2,601,127,176	2,594,937,653	2,601,127,176
	- 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)	68.50%	68.50%	68.33%	68.50%	68.33%	68.50%

S. No.	Particulars	Quarter Ended September 30, 2012
B	**Status of investor complaints as on September 30, 2012 is as follows:**	
	Complaints pending as on July 1, 2012	Nil
	Complaints received during the quarter	3
	Complaints resolved during the quarter	2
	Complaints pending as on September 30, 2012	1

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

(In Rs Million)

Particulars	Quarter Ended September 30 2012 Audited	Quarter Ended June 30 2012 Audited	Quarter Ended September 30 2011 Audited	Half Year Ended September 30 2012 Audited	Half Year Ended September 30 2011 Audited	Year Ended March 31 2012 Audited
1. Segment Revenue						
Net sales/income from each segment						
a) Mobile Services India and South Asia	111 170	106 848	97 827	218 018	196.231	403 091
b) Mobile Services Africa	60 512	57 586	47 032	118 098	90 816	198.265
c) Telemedia Services	9.529	9 442	9.527	18 971	18.985	37.271
d) Airtel Business @	13 934	11 906	11 041	25 840	21.451	44 541
e) Digital TV Services $	3 937	3 658	3.134	7 595	6 068	12 960
f) Tower Infrastructure Services ^	25.567	24 048	23 766	49.615	46.533	95 109
g) Others	976	836	874	1 812	1.684	3 117
h) Unallocated #	-	-	-	-	-	-
Total	225,625	214,324	193,201	439,949	381,768	794,354
Less Inter Segment Eliminations	22 893	20 823	20 503	43 716	39 321	79 846
Net sales/Income	202,732	193,501	172,698	396,233	342,447	714,508
2. Segment Results						
Profit/(Loss) before tax and interest from each segment						
a) Mobile Services India and South Asia	18 438	17 012	19 776	35 450	40.631	82 221
b) Mobile Services Africa	4 397	3 405	3 768	7 802	6.039	14 147
c) Telemedia Services	1 803	1 333	2 124	3 136	4.345	7 172
d) Airtel Business @	770	591	1 053	1 361	1.735	2 629
e) Digital TV Services $	(2.228)	(2 265)	(1 806)	(4 493)	(3.298)	(7 198)
f) Tower Infrastructure Services ^	4 090	3 420	3 521	7 510	6.953	14.641
g) Others	(159)	(133)	10	(292)	(7)	(416)
h) Unallocated #	(2.177)	(2 567)	(2 129)	(4 744)	(4 327)	(9 866)
Total	24,934	20,796	26,317	45,730	52,071	103,330
Less Inter Segment Eliminations	(14)	(44)	5	(58)	14	(36)
Total profit/(loss) before tax and Net Finance Charges (including exchange fluctuation)	24,948	20,840	26,312	45,788	52,057	103,368
Less						
Net Finance Charges (including exchange fluctuation)	10 219	8 211	11 186	18 430	19.736	38 185
Total profit before tax	14,729	12,629	15,126	27,358	32,321	65,183
3. Capital Employed						
(Segment assets - Segment liabilities)						
a) Mobile Services India and South Asia	590 716	532 848	476.458	590 716	476.458	518 296
b) Mobile Services Africa	535 552	458 376	450 737	535 552	450 737	449 753
c) Telemedia Services	37 777	35 876	31 927	37 777	31 927	34 699
d) Airtel Business @	60 085	61 247	56 728	60 085	56.728	58 466
e) Digital TV Services $	(24 263)	(21 904)	(15 512)	(24 263)	(15 512)	(19 511)
f) Tower Infrastructure Services ^	160 796	164 435	163 074	160 796	163 074	162 913
g) Others	300	(183)	474	300	474	(375)
h) Unallocated (net of eliminations) * #	(841 141)	(707 846)	(651 304)	(841 141)	(651 304)	(670 433)
Total	519,822	522,849	512,582	519,822	512,582	533,808

Effective October 1, 2011 corporate headquarters' results and capital employed earlier reported under 'Others' has been regrouped to 'Unallocated' for all periods presented.

*Comprises borrowings (including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs 509,407 Mn (USD 9.67 Mn), 550,860 Mn (USD 9.78 bn), Rs 501,413 Mn (USD 10.25 bn) and Rs 508,113 Mn (USD 9.93 bn)), for 3G and BWA licences of Rs 54,750 Mn , Rs 54,750 Mn , Rs 61,099 Mn and Rs 61,117 Mn, as at September 30, 2012 , June 30, 2012, September 30, 2011 and March 31,2012, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

@ Previously known as Enterprise Services.

$ Previously known as DTH.

^ Previously known as Passive Infrastructure Services

Notes to accounts

1. The above financial results for the second quarter and half year ended September 30, 2012 have been reviewed by the Audit Committee in its meeting held on November 6, 2012 and approved by the Board of Directors in its meeting held on November 7, 2012.

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 second quarter and half year ended September 30, 2012 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 statements have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.

4. During the quarter ended September 30, 2012, the Group was awarded a favorable order by the TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements. The Group, based on the TDSAT judgment and independent legal opinion, has recognized revenue of Rs 5,861 Mn, resulting in higher profit before tax and net profit of Rs 3,448 Mn and Rs 2,386 Mn respectively in the current quarter, relating to previous periods.

5. During the quarter ended September 30, 2012, the Group has recognized additional tax charge on account of Dividend Distribution Tax relating to the dividend received from Indus Towers Ltd for which no tax credit is available to the Group. As a result , tax expense for the quarter are higher by Rs 657 Mn and the net profit is lower by Rs 566 Mn.

6. During the quarter ended September 30, 2012, the Company made additional equity investments in its following wholly owned subsidiaries:
   - Rs. 660 Mn in Airtel M Commerce Services Limited; and
   - USD 270 Mn (Rs 14,843 Mn) in Bharti Airtel International (Mauritius) Limited

7. During the quarter ended September 30, 2012, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has acquired 2,945,000 Bharti Airtel equity shares from the open market at an average price of Rs 258.77 per share and has transferred 641,835 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of September 30, 2012, the trust holds 2,851,066 equity shares.

8. In its Annual General Meeting held on September 6, 2012, the Company declared and paid final dividend at the rate of Re. 1/- per equity share of Rs. 5/- each aggregating to Rs. 3,798 million.

9. Audited financial results of Bharti Airtel Limited as per IGAAP (standalone information in terms of clause 41 (IV) (b) of the Listing agreement) are as follows:

(In Rs Million)

Sl. No.	Particulars	Quarter Ended September 30, 2012	Quarter Ended June 30, 2012	Quarter Ended September 30, 2011	Half Year Ended September 30, 2012	Half Year Ended September 30, 2011	Year ended March 31, 2012
1	Net Sales / Income from operations	115,230	109,806	101,650	225,036	203,455	416,038
2	Profit before tax and exceptional items	22,532	16,658	15,832	39,190	34,229	69,562
3	Profit after tax and before exceptional items	17,916	14,700	13,075	32,616	27,397	57,300
4	Profit after tax and exceptional items	17,916	14,700	13,075	32,616	27,397	57,300

10. Consolidated statement of assets and liabilities as per IFRS in terms of clause 41 of the listing agreement is as follows:

(In Rs Million)

Particulars	As of	
	September 30 2012 Audited	March 31 2012 Audited
Assets		
Property, plant and equipment	687,485	674,932
Goodwill on consolidaiton	405,933	407,560
Other Intangible assets	272,758	253,329
Other non current and current assets	217,830	195,055
Inventories	1,355	1,308
Short term investments	16,303	18,132
Cash and cash equivalents	17,900	20,300
Total assets	**1,619,564**	**1,570,616**
Equity and liabilities		
Equity		
Issued capital	18,988	18,988
Treasury shares	(779)	(282)
Reserves and surplus	474,861	487,407
Equity attributable to equity holders of parent	**493,070**	**506,113**
Non-controlling interest	26,752	27,695
Total equity	**519,822**	**533,808**
Liabilities		
Borrowings	705,149	690,232
Provisions	10,180	8,530
Other non current and current liabilities	384,413	338,046
Total equity and liabilities	**1,619,564**	**1,570,616**

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

For Bharti Airtel Limited

Sd/-

Sunil Bharti Mittal
Chairman and Managing Director

For Bharti Airtel Limited

Sd/-

Sanjay Kapoor
CEO (India & South Asia)

New Delhi
November 7, 2012

"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