

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, 2010

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

(In Rs. Million except per share data)

S. No.	Particulars	Quarter Ended September 30,		Half Year Ended September 30,		Year ended March
		2010	2009	2010	2009	31, 2010
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	152,150	103,785	274,458	207,928	418,472
2	Total Expenditure	126,731	76,025	223,617	152,080	312,876
	(a) Employee Cost	8,816	4,843	14,417	9,969	19,028
	(b) Depreciation & Amortisation	25,790	15,244	45,257	29,998	62,832
	(c) License Fees & Spectrum Charges	12,540	10,222	24,282	20,348	40,875
	(d) Access & Interconnection Charges	18,839	10,698	33,066	22,070	44,806
	(e) Network Operating Expenses	32,895	22,184	59,991	43,320	89,316
	(f) Sales & Marketing	16,886	6,362	26,594	12,876	27,682
	(g) Administration & others	10,962	6,469	19,774	13,364	28,156
	(h) Other Expenditure	3	3	236	135	181
3	Profit from Operations before Other Income, Interest, Share of Loss / (Gain) in Associates, Exceptional Items and Tax (1-2)	25,419	27,760	50,841	55,848	105,596
4	Other Income	169	190	700	301	697
5	Profit before Interest, Share of Loss / (Gain) in Associates, Exceptional Items and Tax (3+4)	25,588	27,950	51,541	56,149	106,293
6	Interest Expense / (Income) Net	3,319	2,084	7,517	800	178
7	Share of Loss / (Gain) in Associates	2	6	56	6	48
8	Profit after Interest, Share of Loss / (Gain) in Associates but before Exceptional Items and Tax	22,267	25,860	43,968	55,343	106,067
9	Exceptional Items	-	-	982	-	976
10	Profit (+) / Loss (-) from Ordinary Activities after Exceptional Items but before Tax	22,267	25,860	42,986	55,343	105,091
11	Tax Expense	5,678	2,753	9,428	7,058	13,453
	- Current Tax	7,025	5,092	12,434	11,913	22,317
	- Deferred Tax (Credit) / Charge	(1,347)	(2,339)	(3,006)	(4,855)	(8,864)
12	Net profit (+) / loss (-) from Ordinary Activities after tax	16,589	23,107	33,558	48,285	91,638
13	Extraordinary items (net of tax expenses)	-	-	-	-	-
14	Profit (+) / Loss (-) for the period	16,589	23,107	33,558	48,285	91,638
15	Minority Interest	(23)	477	130	910	1,870
16	Net Profit/(Loss) for the period	16,612	22,630	33,428	47,375	89,768
17	Paid-up equity share capital (Face value Rs.5/- each)	18,988	18,984	18,988	18,984	18,988
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	432,494	333,428	432,494	333,428	402,188
19	Earnings per share (in Rs.)- Post Stock split					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	4.378	5.966	8.810	12.491	23.666
	ii) Diluted	4.378	5.965	8.809	12.488	23.660
	a. Basic and diluted EPS after Extraordinary items					
	i) Basic	4.378	5.966	8.810	12.491	23.666
	ii) Diluted	4.378	5.965	8.809	12.488	23.660
20	Public Shareholding					
	a. Number of shares	1,220,148,754	1,226,589,988	1,220,148,754	1,226,589,988	1,221,736,754
	b. Percentage of shareholding	32.13%	32.31%	32.13%	32.31%	32.17%
21	Promoters and Promoter Group Shareholding					
	a) Pledged/ Encumbered					
	- Number of Shares	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
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered					
	- Number of Shares	2,577,381,342	2,570,252,342	2,577,381,342	2,570,252,342	2,575,793,342
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	67.87%	67.69%	67.87%	67.69%	67.83%

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

(In Rs Million)

Particulars	Quarter Ended September 30,		Half Year Ended September 30,		Year ended March
	2010	2009	2010	2009	31, 2010
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Net sale/income from each segment					
a) Mobile Services India and South Asia	88,045	82,902	176,282	167,203	331,275
b) Mobile Services Africa	38,906	-	48,488	-	-
c) Telemedia Services	9,118	8,544	18,078	17,094	34,154
d) Enterprise Services	10,425	11,354	20,611	22,981	44,798
e) Passive Infrastructure Services	21,161	17,049	41,573	32,986	70,852
f) Others	2,261	1,291	4,210	2,317	5,825
Total	169,916	121,140	309,242	242,581	486,904
Less: Inter Segment Eliminations	17,766	17,355	34,784	34,653	68,432
Net sales/Income	152,150	103,785	274,458	207,928	418,472
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services India and South Asia	21,189	25,103	43,458	50,882	94,403
b) Mobile Services Africa	1,693	-	2,329	-	-
c) Telemedia Services	2,239	1,875	4,093	3,671	7,543
d) Enterprise Services	1,480	2,353	2,932	4,550	9,336
e) Passive Infrastructure Services	2,886	1,537	5,458	2,865	7,362
f) Others	(3,897)	(2,867)	(7,750)	(5,658)	(13,195)
Total	25,590	28,001	50,520	56,310	105,449
Less: Inter Segment Eliminations	4	57	17	167	180
Total profit/(loss) before tax and interest	25,586	27,944	50,503	56,143	105,269
Less :					
Interest	3,319	2,084	7,517	800	178
Total profit before tax	22,267	25,860	42,986	55,343	105,091
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services India and South Asia	399,839	260,756	399,839	260,756	359,743
b) Mobile Services Africa	369,985	-	369,985	-	-
c) Telemedia Services	23,232	15,277	23,232	15,277	19,168
d) Enterprise Services	51,398	39,828	51,398	39,828	34,051
e) Passive Infrastructure Services	163,183	151,257	163,183	151,257	160,219
f) Others	92,653	(12,215)	92,653	(12,215)	(36,729)
g) Unallocated (net of eliminations)*	(606,101)	(86,486)	(606,101)	(86,486)	(89,227)
Total	494,189	368,417	494,189	368,417	447,225

* Comprises of borrowings (including borrowing for Africa acquisition of USD 8.57 bn (Rs 384,875 mn) and 3G and BWA licences of Rs 78,946 mn), provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments as of September 30, 2010.

Notes to accounts for the second quarter and half year ended September 30, 2010

- The above financial results for the second quarter and half year ended September 30, 2010 have been reviewed by the Audit Committee in its meeting held on November 09, 2010 and approved by the Board of Directors in its meeting held on November 10, 2010.
- In terms of the clause 41 of the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards (IFRS) in the preparation of consolidated financial statements w.e.f April 1, 2010 and has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company for the quarter and half year ended September 30, 2010 are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).
- Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial statement has been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.
- On August 25, 2010, Bharti Airtel Africa B.V., Africa, an indirect wholly owned subsidiary of Bharti Airtel Limited (through Bharti Airtel International (Netherlands) B.V.), has acquired 2,500,000 ordinary shares representing 100% equity stake of Indian Ocean Telecom Limited, Jersey that holds the entire share capital of Telecom Seychelles Limited, Seychelles for USD 62 million. Consequently, both Indian Ocean Telecom Limited, Jersey and Telecom Seychelles Limited, Seychelles have become step-down subsidiaries of Bharti Airtel Limited w.e.f August 25, 2010
- During the last quarter, the Company has invested USD 44.8 million in the equity shares of Bharti Airtel International (Mauritius) Limited, Mauritius and subsequently increased the investment by USD 7 million in October, 2010.
- Effective September 30, 2010, Mr. Lim Chuan Poh has resigned from the Board and Lord Evan Mervyn Davies, H.E. Dr. Salim Ahmed Salim and Mr. Hui Weng Cheong have been appointed as directors. Mr. Tsun-yan Hsieh has been appointed as a director w.e.f. November 9, 2010. Mr. Arun Bharat Ram, independent director would retire from the Board w.e.f the conclusion of the Board meeting on November 10, 2010 in terms of the policy on independent directors adopted by the Board.
- Exceptional items relate to acquisition related costs such as advisory and professional fees/ expenses directly attributable to the acquisitions in Bangladesh and Africa.

8. Audited Financial Results of Bharti Airtel Limited as per IGAAP(Standalone Information in terms of Clause 41 (IV) (b) of the Listing agreement)

(In Rs Million)

Sl. No.	Particulars	Quarter ended September 30,		Half year ended September 30,		Year ended March 31,
		2010	2009	2010	2009	2010
		Audited	Audited	Audited	Audited	Audited
1	Revenues	92,999	89,017	186,236	179,422	356,095
2	Profit Before Tax and exceptional Items	23,981	25,371	46,035	56,169	106,993
3	Profit after Tax and before exceptional items	21,003	22,969	40,312	49,844	94,262
4	Profit after Tax and exceptional items	21,003	22,969	40,312	49,844	94,262

9. During the quarter ended September 30, 2010, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has acquired 257,000 Bharti Airtel equity shares from the open market at an average price of Rs 322.94 per share. Out of the shares so acquired, the Company has transferred 228,635 shares to the employees upon exercise of stock options, under ESOP Scheme 2005.
10. During the quarter ended September 30, 2010, in its Annual General Meeting held on September 01, 2010, the Company declared and paid dividend at the rate of Re. 1/- per equity share of Rs. 5/- each aggregating Rs. 3,797.53 million.
11. 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 At	
	September 30, 2010	September 30, 2009
	Audited	Unaudited
Assets		
Property, plant and equipment	613,486	466,063
Intangible assets	638,704	50,109
Other non current and current assets	149,225	98,558
Inventories	2,039	858
Short term investments	19,212	57,496
Cash and cash equivalents	19,137	7,535
Total assets	1,441,803	680,619
Equity and liabilities		
Equity		
Issued capital	18,988	18,984
Treasury shares	(78)	(101)
Reserves and surplus	443,264	335,235
Equity attributable to equity holders of parent	462,174	354,118
Non-controlling interest	32,015	14,300
Total equity	494,189	368,418
Liabilities		
Borrowings	640,067	134,258
Provisions	6,986	6,510
Other non current and current liabilities	300,561	171,433
Total equity and liabilities	1,441,803	680,619

12. Status of investor complaints as on September 30, 2010 is as follows:

Complaints pending as on July 1, 2010	Nil
Complaints received and resolved during the quarter	3
Pending as on September 30, 2010	Nil

For Bharti Airtel Limited

For Bharti Airtel Limited

Sd/-
Sunil Bharti Mittal
Chairman and Managing Director

Sd/-
Sanjay Kapoor
CEO (India & South Asia)

New Delhi
November 10, 2010

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