BHARTI AIRTEL LIMITED

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

Financial results for the quarter ended June 30, 2013

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 June 30, 2013 Audited	Quarter Ended March 31, 2013 Audited & Restated	Quarter Ended June 30, 2012 Audited & Restated	Year Ended March 31, 2013 Audited & Restated
1	**Total Sales / Income**	**202,995**	**195,924**	**185,703**	**769,470**
	(a) Net Sales/ Income from Operations	202,639	195,821	185,601	769,045
	(b) Other Operating Income	356	103	102	425
2	**Total Expenditure**	**176,016**	**173,323**	**166,748**	**685,039**
	(a) Employee Cost	10,926	10,435	8,917	38,823
	(b) Depreciation & Amortisation	38,470	38,004	35,901	148,148
	(c) License Fees & Spectrum Charges	18,219	16,933	16,300	66,486
	(d) Access & Interconnection Charges	26,961	27,499	27,046	113,227
	(e) Network Operating Expenses	46,700	45,354	41,545	173,333
	(f) Sales & Marketing	18,761	19,336	22,386	83,778
	(g) Administration & others	15,826	15,696	14,450	60,854
	(h) Other Expenditure	153	66	203	390
3	**Profit from Operations before Other Income, Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (1-2)**	**26,979**	**22,601**	**18,955**	**84,431**
4	Other Income	-	-	-	-
5	**Profit before Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (3+4)**	**26,979**	**22,601**	**18,955**	**84,431**
6	Net Finance Charges (including exchange fluctuation)	11,676	11,158	7,367	40,084
7	Share of Loss / (Gain) in joint ventures / associates	(822)	(875)	(706)	(3,506)
8	**Profit after Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates but before Exceptional Items and Tax**	**16,125**	**12,318**	**12,294**	**47,853**
9	Exceptional Items (Refer Note 12 below)	(2,252)	-	-	-
10	**Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax**	**18,377**	**12,318**	**12,294**	**47,853**
11	Tax Expense (including expense of Rs 1,110 Mn on exceptional items)	9,684	7,255	4,543	25,184
12	**Net profit (+)/ loss(-) from Ordinary Activities after tax**	**8,693**	**5,063**	**7,751**	**22,669**
13	Extraordinary items (net of tax expenses)	-	-	-	-
14	**Profit (+)/ Loss (-) for the period / year**	**8,693**	**5,063**	**7,751**	**22,669**
15	Minority Interest (including impact of Rs 1,342 Mn on exceptional items)	1,804	(23)	129	(88)
16	**Net Profit/(Loss) for the period / year**	**6,889**	**5,086**	**7,622**	**22,757**
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	18,988	18,988	18,988
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	576,866	517,474	501,106	517,474
19	**Earnings per share (Face value Rs.5/- each) (in Rs.)**				
	a. Basic and diluted EPS before Extraordinary items				
	i) Basic	1.801	1.341	2.008	5.998
	ii) Diluted	1.800	1.340	2.008	5.995
	b. Basic and diluted EPS after Extraordinary items				
	i) Basic	1.801	1.341	2.008	5.998
	ii) Diluted	1.800	1.340	2.008	5.995

Part II

S. No.	Particulars	Quarter Ended June 30, 2013 Audited	Quarter Ended March 31, 2013 Audited	Quarter Ended June 30, 2012 Audited	Year Ended March 31, 2013 Audited
A	**Particulars of Shareholding**				
1	**Public Shareholding**				
	a. Number of shares	1,389,895,924	1,194,297,918	1,196,402,920	1,194,297,918
	b. Percentage of shareholding	34.77%	31.45%	31.50%	31.45%
2	**Promoters and Promoter Group Shareholding**				
	a) Pledged/ Encumbered				
	- Number of Shares	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of Shares	2,607,504,178	2,603,232,178	2,601,127,176	2,603,232,178
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.23%	68.55%	68.50%	68.55%

S. No.	Particulars	Quarter Ended June 30, 2013
B	**Status of investor complaints as on June 30, 2013 is as follows:**	
	Complaints pending as on April 1, 2013	NIL
	Complaints received during the quarter	4
	Complaints resolved during the quarter	4
	Complaints pending as on June 30, 2013	NIL

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

(In Rs Million)

Particulars	Quarter Ended June 30, 2013 Audited	Quarter Ended March 31, 2013 Audited & Restated	Quarter Ended June 30, 2012 Audited & Restated	Year Ended March 31, 2013 Audited & Restated
1. Segment Revenue				
Net sales/income from each segment				
a) Mobile Services India	116,013	110,173	104,635	430,705
b) Mobile Services South Asia	3,913	3,453	2,854	12,330
c) Mobile Services Africa	59,309	60,647	57,586	240,439
d) Telemedia Services	9,484	9,130	8,889	35,896
e) Airtel Business	14,036	13,144	11,906	53,203
f) Digital TV Services	4,900	4,419	3,658	16,295
g) Tower Infrastructure Services ^	12,832	13,160	11,787	49,865
h) Others	860	805	827	3,359
i) Unallocated	-	-	-	-
Total	**221,347**	**214,931**	**202,142**	**842,092**
Less: Inter Segment Eliminations	18,708	19,110	16,541	73,047
Net sales/Income	**202,639**	**195,821**	**185,601**	**769,045**
2. Segment Results $				
Profit/(Loss) before tax and net Finance Charges from each segment				
a) Mobile Services India	20,941	17,241	16,176	66,552
b) Mobile Services South Asia	(1,008)	(1,123)	(1,404)	(5,117)
c) Mobile Services Africa	3,602	3,361	3,405	15,569
d) Telemedia Services	1,439	1,866	1,572	6,999
e) Airtel Business	1,422	1,282	431	3,110
f) Digital TV Services	(1,156)	(1,784)	(2,265)	(8,105)
g) Tower Infrastructure Services ^	2,838	3,149	2,326	10,894
h) Others	20	2	38	83
i) Unallocated	(352)	(521)	(581)	(2,027)
Total	**27,746**	**23,473**	**19,698**	**87,958**
Less: Inter Segment Eliminations	(55)	(3)	37	21
Total profit/(loss) before tax and Net Finance Charges (including exchange fluctuation)	**27,801**	**23,476**	**19,661**	**87,937**
Less :				
Net Finance Charges (including exchange fluctuation)	11,676	11,158	7,367	40,084
Exceptional Items	(2,252)	-	-	-
Total profit before tax	**18,377**	**12,318**	**12,294**	**47,853**
3. Capital Employed				
(Segment assets - Segment liabilities)				
a) Mobile Services India	629,496	577,782	529,503	577,782
b) Mobile Services South Asia	9,793	8,693	10,189	8,693
c) Mobile Services Africa	606,198	549,131	458,376	549,131
d) Telemedia Services	42,955	41,950	36,866	41,950
e) Airtel Business	66,196	62,396	61,087	62,396
f) Digital TV Services	(29,468)	(28,138)	(21,904)	(28,138)
g) Tower Infrastructure Services ^	179,875	166,099	132,152	166,099
h) Others	(723)	(476)	(481)	(476)
i) Unallocated (net of eliminations) *	(885,289)	(833,334)	(682,940)	(833,334)
Total	**619,033**	**544,103**	**522,848**	**544,103**

*Comprises borrowings (including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs 595,223 mn (USD 9.97 bn), Rs 537,760 mn (USD 9.89 bn) and Rs 550,860 mn (USD 9.78 bn), for 3G and BWA licenses of Rs 45,700 mn, Rs 52,225 mn and Rs 54,750 mn, as at June 30,2013, March 31,2013 and June 30,2012, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

^ Previously known as Passive Infrastructure Services

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

Notes to accounts

1. The above financial results for the first quarter and three months ended June 30, 2013 have been reviewed by the Audit Committee in its meeting held on July 30, 2013 and approved by the Board of Directors in its meeting held on July 31, 2013.

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 first quarter and three months ended June 30, 2013 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. Effective April 1, 2013, to reflect growing importance of South Asia mobile operations, the Group's mobile services in Bangladesh and Sri Lanka are now being reported under a separate segment 'Mobile Services-South Asia', earlier included in 'Mobile Services - India and South Asia'. Accordingly, 'Mobile Services - India' is being reported as a separate segment. In addition, to better reflect business synergies, intra city fiber networks earlier included in 'Telemedia Services', and Mobile Commerce Services in India earlier included in 'Others', have now been included in 'Mobile Services - India'. Further, in order to improve the comparability of results with the single segment telecom players, the Company has also allocated certain central common expenses, earlier included in 'Unallocated' to 'Mobile Services - India', 'Telemedia Services' and 'Airtel Business'. Accordingly, previous year's/period's segment figures have been regrouped / rearranged.

5. Effective April 1, 2013, accounting standard "IFRS 11 on Joint Arrangements" became mandatory, where by accounting for investments in Joint Ventures changed from "Proportionate Consolidation" method (line by line consolidation) to Equity method .i.e accounting for share of results of Joint Venture. This change is presentational in nature and does not impact on the Group's profit after tax for the financial periods reported earlier.Since the Standard requires retrospective application, the previous year's/period's figures have been restated.

6. During the quarter ended June 30, 2013, the Company has issued 199,870,006 equity shares to M/s. Three Pillars Pte. Ltd (belonging to non-promoter category), an affiliate of Qatar Foundation Endowment, constituting 5% of the post issue share capital of the Company, through preferential allotment at a price of Rs. 340 per share aggregating to Rs. 67,955.80 million. The proceeds of the preferential allotment were utilized towards the repayment of equivalent debt in accordance with the objective of the preferential allotment.

7. On June 25, 2013, the Company has acquired additional equity stake of 2% by way of subscription to fresh equity in its existing 49% owned joint venture companies, namely, Wireless Business Services Private Limited, Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited, thereby increasing its equity shareholding to 51% in each of these entities. Consequently, the referred entities have been consolidated as subsidiaries beginning June 25, 2013.

   Further, on May 24, 2013 and June 28, 2013 the Hon'ble High Courts of Delhi and Bombay, respectively, have sanctioned the Scheme of Arrangement (Scheme) whereby Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited were to amalgamate with Wireless Business

Services Private Limited, with appointed date as July 6, 2010. The said Scheme shall be effective on filing of certified copy of Order with the Registrar of Companies (ROC). As on date, the said order has not been filed with ROC. The amalgamation is not expected to have any significant financial impact on the financial statements of the Group.

8. During the quarter ended June 30, 2013, Bharti Airtel Holdings (Singapore) Pte. Limited, Singapore ("BAHSPL"), a wholly owned subsidiary of the Company, has acquired balance 30% equity stake in its existing 70% owned subsidiary, Airtel Bangladesh Limited. Post acquisition, Airtel Bangladesh Limited has become a wholly owned subsidiary of the Company with effect from June 12, 2013.

9. During the quarter ended June 30, 2013, the Company's wholly owned subsidiary, Airtel Uganda Limited, acquired 100% equity stake in Warid Telecom Uganda Limited. Consequently, the referred entity has been consolidated as a subsidiary beginning May 13, 2013. With this acquisition, the Company will further consolidate its position as the second largest mobile operator in Uganda with a market share of over 39%.

10. During the quarter ended June 30, 2013, the Company has made an additional equity investment of USD 20 Mn in its wholly owned subsidiary, Bharti Airtel International (Mauritius) Limited.

11. The Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'the transferor companies') to Indus Towers Limited (Indus) was approved by the Hon'ble High Court of Delhi vide order dated on April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Scheme and, accordingly, effective June 11, 2013 the transferor companies have ceased to exist and have merged into Indus. The Scheme has, accordingly, been given effect to in the consolidated financial results of the Company.

12. Exceptional items during the quarter resulted in a net loss of Rs 200 Mn, comprising of (i) a net gain of Rs. 8,950 Mn, on account of the difference of fair value and book value of net assets of Bharti Infratel Ventures Limited ('BIVL') recognised in accordance with IAS 28, 'Investments in Associates and Joint Ventures' (as discussed in note 11 above) consequent to merger of BIVL with Indus as per the approved Court scheme, (ii) an additional net charge of Rs 6,698 Mn resulting from reassessment of the useful residual lives of certain categories of network assets of the Group due to technological developments, (iii) tax impact of Rs 1,110 Mn (net) with respect to (i) and (ii) above, and (iv) impact on minority Interest of Rs 1,342 Mn (net) with respect to all of the above.

13. 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 the 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 for the one time spectrum charges in these financial results.

14. During the quarter ended June 30, 2013, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has transferred 165,265 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of June 30, 2013, the trust holds 2,273,333 equity shares.

15. 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 June 30, 2013	Quarter Ended March 31, 2013	Quarter Ended June 30, 2012	Year Ended March 31, 2013
1	Net Sales / Income from operations	122,244	115,483	109,806	453,509
2	Profit before tax and exceptional items	14,009	15,430	16,658	64,548
3	Profit after tax and before exceptional items	11,887	10,844	14,700	50,963
4	Profit after tax and exceptional items	9,588	10,844	14,700	50,963

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

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For Bharti Airtel Limited

Sd/-

Manoj Kohli
Managing Director & CEO (International)

For Bharti Airtel Limited

Sd/-

Gopal Vittal
Joint Managing Director & CEO (India)

New Delhi
July 31, 2013

"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