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, 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 June 30, 2014 Audited	Quarter Ended March 31, 2014 Audited	Quarter Ended June 30, 2013 Audited	Year Ended March 31, 2014 Audited
1	**Total Sales / Income**	**230,055**	**222,605**	**202,995**	**858,635**
	(a) Net Sales/ Income from Operations	229,616	222,193	202,639	857,461
	(b) Other Operating Income	439	412	356	1,174
2	**Total Expenditure**	**193,220**	**188,983**	**176,016**	**737,361**
	(a) Employee Cost	11,680	11,517	10,926	46,228
	(b) Depreciation & Amortisation	40,365	39,444	38,470	156,496
	(c) License Fees & Spectrum Charges	22,003	19,951	18,219	76,631
	(d) Access & Interconnection Charges	27,889	28,732	26,961	111,923
	(e) Network Operating Expenses	51,236	50,219	46,700	197,202
	(f) Sales & Marketing	21,976	22,631	18,761	86,075
	(g) Administration & others	17,304	15,971	15,826	61,904
	(h) Other Expenditure	767	518	153	902
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)**	**36,835**	**33,622**	**26,979**	**121,274**
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)**	**36,835**	**33,622**	**26,979**	**121,274**
6	Net Finance Charges (including exchange fluctuation)	9,565	9,911	11,676	48,380
7	Share of Loss / (Gain) in joint ventures / associates	(1,578)	(1,673)	(822)	(5,211)
8	**Profit after Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates but before Exceptional Items and Tax**	**28,848**	**25,384**	**16,125**	**78,105**
9	Exceptional Items - Loss / (Gain) (Refer Note 10 below)	1,820	1,569	(2,252)	(538)
10	**Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax**	**27,028**	**23,815**	**18,377**	**78,643**
11	Tax Expense (including expense of Rs 699 Mn for the quarter ended Jun,14 , expense of Rs 256 Mn for the quarter ended Mar,14, expense of Rs 1,110 Mn for the quarter ended Jun,13 and expense of Rs 3,970 Mn for the year ended Mar,14 on exceptional items)	15,326	13,562	9,684	48,449
12	**Net profit (+)/ loss(-) from Ordinary Activities after tax**	**11,702**	**10,253**	**8,693**	**30,194**
13	Extraordinary items (net of tax expenses)	-	-	-	-
14	**Profit (+)/ Loss (-) for the period / year**	**11,702**	**10,253**	**8,693**	**30,194**
15	Minority Interest (including impact of Rs Nil for the quarter ended Jun,14, Rs 508 Mn for the quarter ended Mar,14, Rs 1,342 Mn for the quarter ended Jun,13 and Rs 1,558 Mn for the year ended Mar,14 on exceptional items)	617	637	1,804	2,467
16	**Net Profit/(Loss) for the period / year**	**11,085**	**9,616**	**6,889**	**27,727**
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	605,783	594,692	576,866	594,692
19	**Earnings per share (Face value Rs.5/- each) (in Rs.)**				
	a. Basic and diluted EPS before Extraordinary items				
	i) Basic	2.775	2.407	1.801	7.016
	ii) Diluted	2.773	2.406	1.800	7.010
	b. Basic and diluted EPS after Extraordinary items				
	i) Basic	2.775	2.407	1.801	7.016
	ii) Diluted	2.773	2.406	1.800	7.010

Part II

S.No.	Particulars	Quarter Ended June 30, 2014 Audited	Quarter Ended March 31, 2014 Audited	Quarter Ended June 30, 2013 Audited	Year Ended March 31, 2014 Audited
A	**Particulars of Shareholding**				
1	**Public Shareholding**				
	a. Number of shares	1,384,181,356	1,386,131,356	1,389,895,924	1,386,131,356
	b. Percentage of shareholding	34.63%	34.68%	34.77%	34.68%
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	2,613,218,746	2,611,268,746	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%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.37%	65.32%	65.23%	65.32%

S.No.	Particulars	Quarter Ended June 30, 2014
B	**Status of investor complaints as on June 30, 2014 is as follows:**	
	Complaints pending as on April 1, 2014	Nil
	Complaints received during the quarter	1
	Complaints resolved during the quarter	1
	Complaints pending as on June 30, 2014	Nil

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

(In Rs Million)

Particulars	Quarter Ended June 30, 2014 Audited	Quarter Ended March 31, 2014 Audited	Quarter Ended June 30, 2013 Audited	Year Ended March 31, 2014 Audited
1. Segment Revenue				
Net sales/income from each segment				
a) Mobile Services India	127,525	120,835	116,013	466,835
b) Mobile Services South Asia	4,371	4,488	3,913	17,403
c) Mobile Services Africa	69,685	70,623	59,309	272,488
d) Telemedia Services	10,705	10,242	9,484	39,352
e) Airtel Business	16,110	16,305	14,036	63,361
f) Digital TV Services	5,915	5,415	4,900	20,771
g) Tower Infrastructure Services	13,328	13,061	12,832	51,087
h) Others	781	717	860	3,197
i) Unallocated	-	-	-	-
Total	**248,420**	**241,686**	**221,347**	**934,494**
Less: Inter Segment Eliminations	18,804	19,493	18,708	77,033
Net sales/Income	**229,616**	**222,193**	**202,639**	**857,461**
2. Segment Results $				
Profit/(Loss) before tax, net Finance Charges (including exchange fluctuation) and exceptional items from each segment				
a) Mobile Services India	29,504	25,402	20,941	91,216
b) Mobile Services South Asia	(1,076)	(1,083)	(1,008)	(4,271)
c) Mobile Services Africa	2,773	3,881	3,602	16,983
d) Telemedia Services	1,756	1,420	1,439	5,541
e) Airtel Business	1,755	2,136	1,422	8,078
f) Digital TV Services	(627)	(1,111)	(1,156)	(4,821)
g) Tower Infrastructure Services	4,964	5,465	2,838	16,185
h) Others	15	(15)	20	62
i) Unallocated	(564)	(510)	(352)	(2,213)
Total	**38,500**	**35,585**	**27,746**	**126,760**
Less: Inter Segment Eliminations	87	290	(55)	275
Total profit/(loss) before tax , Net Finance Charges (including exchange fluctuation) and exceptional items	**38,413**	**35,295**	**27,801**	**126,485**
Less :				
Net Finance Charges (including exchange fluctuation)	9,565	9,911	11,676	48,380
Exceptional Items - Loss / (Gain)	1,820	1,569	(2,252)	(538)
Total profit before tax	**27,028**	**23,815**	**18,377**	**78,643**
3. Capital Employed				
(Segment assets - Segment liabilities)				
a) Mobile Services India	745,874	718,141	629,496	718,141
b) Mobile Services South Asia	21,240	11,087	9,793	11,087
c) Mobile Services Africa	586,417	629,398	606,198	629,398
d) Telemedia Services	48,324	46,699	42,955	46,699
e) Airtel Business	76,777	75,301	66,196	75,301
f) Digital TV Services	(34,055)	(33,330)	(29,468)	(33,330)
g) Tower Infrastructure Services	188,284	183,527	179,875	183,527
h) Others	(362)	(314)	(723)	(314)
i) Unallocated (net of eliminations) *	(982,423)	(990,847)	(885,289)	(990,847)
Total	**650,076**	**639,662**	**619,033**	**639,662**

*Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs. 619,093 Mn (USD 10.30 Bn), Rs 640,237 Mn (USD 10.65 Bn) and Rs 595,223 Mn (USD 9.97 Bn), for 3G and BWA licenses (including spectrum) of Rs. 39,285 Mn, Rs 62,900 Mn, and Rs 45,700 Mn as of June 30, 2014, March 31,2014, June 30,2013, 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 quarter ended June 30, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 29, 2014.

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 quarter ended June 30, 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 June 30, 2014, the Company made following additional equity investments:

   i) Rs. 150 Mn in Airtel M Commerce Services Limited, a wholly owned subsidiary of the Company.
   ii) Rs. 11,047 Mn in Bharti Airtel Lanka (Private) Limited, a wholly owned subsidiary of the Company, by way of conversion of loan into equity.
   iii) Rs 10 Mn in FireFly Networks Limited, a joint venture of the Company.

5. During the quarter ended June 30, 2014, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. successfully raised USD 1,000 Mn through issuance of 5.35 % Guaranteed Senior Notes due 2024 at an issue price of 99.916 percent and Euro 750 Mn through issuance of 3.375 % Guaranteed Senior Notes due 2021 at an issue price of 99.248 percent.

6. On June 20, 2014, the Company has signed a definitive agreement with Loop Mobile (India) Limited, to acquire its operations in Mumbai (India) service area. The agreement is subject to regulatory and statutory approvals.

7. Subsequent to the Balance Sheet date, June 30, 2014, on July 8, 2014, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. (BAIN)/its subsidiaries and Helios Towers Africa (HTA)/ its subsidiaries have entered into agreements for the divestment of over 3,100 telecom towers in four countries across Africa operations from BAIN to HTA. The Company's subsidiaries will have access to a dedicated portion of the towers from HTA 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 June 30, 2014, assets and associated liabilities that are part of this sale and will not be leased back amounting to Rs 14,731 Mn and Rs 1,363 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.

8. During the quarter ended June 30, 2014, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has transferred 146,526 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of June 30, 2014, the trust holds 1,049,881 equity shares.

9. 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.

10. Exceptional items during the quarter resulted in a net loss of Rs 2,519 Mn, comprising of: (i) charge of Rs 1,820 Mn on account of various disputes, and (ii) related tax provisions of Rs 699 Mn.

11. The financial results for the quarter ended March 31, 2014 are the balancing figures between audited results in respect of the full financial year 2013-14 and the published year to date figures upto the third quarter of financial year 2013-14.

12. 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 June 30, 2014	Quarter Ended March 31, 2014	Quarter Ended June 30, 2013	Year Ended March 31, 2014
1	Net Sales / Income from operations	136,278	129,365	122,244	499,185
2	Profit before tax and exceptional items	28,140	26,059	14,009	85,845
3	Profit before tax and after exceptional items	28,140	26,059	11,710	83,774
4	Profit after tax and before exceptional items	21,604	19,633	11,290	66,893
5	Profit after tax and exceptional items	21,604	20,599	9,588	66,002

13. 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
July 29, 2014

"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