Quarterly report on the results for the first quarter ended Jun 30, 2012

Bharti Airtel Limited
(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India



August 08, 2012

The financial statements included in this quarterly report fairly presents in all material respects the financial position, results of operations, cash flow of the company as of, and for the periods presented in this report.

Supplemental Disclosures

Safe Harbor: - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

General Risk: - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Bharti Airtel, along with the equity investment risk which doesn't guarantee capital protection.

Convenience translation: - We publish our financial statements in Indian Rupees. All references herein to "Indian Rupees" and "Rs" are to Indian Rupees and all references herein to "US dollars" and "US$" are to United States dollars. Translation of income statement items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the respective quarter average rate. Translation of Statement of financial position items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the closing rate. The rates announced by the Reserve Bank of India are being used as the Reference rate for respective translations. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Functional Translation (Africa): - Wherever Africa financials are reported in the quarterly report, the same are published in their functional currency i.e. US$. Refer Section "A.2.4 Key Accounting Policies as per IFRS".

Use of Certain Non-GAAP measures: - This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standards (IFRS), but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.
Further, disclosures are also provided under "Use of Non - GAAP financial information" on page 33

Others: In this report, the terms "we", "us", "our", "Bharti", or "the Company", unless otherwise specified or the context otherwise implies, refer to Bharti Airtel Limited ("Bharti Airtel") and its subsidiaries, Bharti Hexacom Limited ("Bharti Hexacom"), Bharti Airtel Services Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited), Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Network i2i Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited), Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, Airtel Bangladesh Limited, Airtel M Commerce Services Limited, Bharti Airtel (Japan) Kabushiki Kaisha, Bharti Airtel (France) SAS, Bharti Airtel International (Mauritius) Limited, Indian Ocean Telecom Limited, Airtel (Seychelles) Limited, Bharti Airtel Africa B.V., Bharti Airtel Acquisition Holdings B.V., Bharti Airtel Burkina Faso Holdings B.V., Bharti Airtel Cameroon Holdings B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Gabon Holdings B.V., Bharti Airtel Ghana Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Sierra Leone Holdings B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Airtel Burkina Faso S.A., Airtel Congo S.A, Celtel Congo RDC S.a.r.l., Celtel Gabon S.A., Airtel (Ghana) Limited, Airtel Networks Kenya Limited, Airtel Madagascar S.A., Airtel Malawi Limited, Celtel Niger S.A., Airtel Networks Limited, Airtel Tanzania Limited, Airtel Uganda Limited, Celtel Zambia plc, Bharti Airtel DTH Holdings B.V., Celtel Cameroon SA, Partnership Investments Sprl, MSI-Celtel Nigeria Limited, Celtel (Mauritius) Holdings Limited, Channel Sea Management Co Mauritius Limited, Montana International, Zap Trust Company Nigeria Limited, Airtel Mobile Commerce Tchad SARL, ZMP Ltd. (Zambia), Airtel Mobile Commerce Malawi Limited, Airtel Mobile Commerce Ghana Limited, Airtel Mobile Commerce Kenya Limited, Airtel Money Niger S.A, Airtel Mobile Commerce (SL) Limited, Africa Towers N.V., Airtel DTH Services Ghana Limited, Airtel DTH Services Malawi Limited, Airtel DTH Services Uganda Limited, Airtel Towers (Ghana) Limited, Malawi Towers Limited, Mobile Commerce Gabon S.A, Société Malgache de Telephonie Cellulaire SA, Uganda Towers Limited, Airtel Mobile Commerce Tanzania Limited, Airtel (SL) Limited, Airtel DTH Services (K) Limited, Airtel DTH Services (Sierra Leone) Limited, Airtel DTH Services Burkina Faso S.A., Airtel DTH Services Congo (RDC)S.p.r.l, Airtel DTH Services Congo S.A., Airtel DTH Services Gabon S.A., Airtel DTH Services Madagascar S.A., Airtel DTH Services Niger S.A., Airtel DTH Services Nigeria Limited, Airtel DTH Services T.Chad S.A., Airtel DTH Services Tanzania Limited, Bharti DTH Services Zambia Limited, Airtel Money (RDC) S.p.r.l, Burkia Faso Towers S.A., Congo RDC Towers S.p.r.l., Congo Towers S.A., Gabon Towers S.A., Kenya Towers Limited, Madagascar Towers S.A., Mobile Commerce Congo S.A., Niger Towers S.A., Tanzania Towers Limited, Tchad Towers S.A., Towers Support Nigeria Limited, Bharti Airtel Developers Forum Ltd., Bangladesh Infratel Networks Limited, Africa Towers Services Limited, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Burkina Faso S.A., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Uganda Limited, Airtel Rwanda Limited, Airtel Towers S.L. Company, Bharti Airtel Cameroon B.V., Celtel Tchad S.A., Rwanda Towers Limited, Zambian Towers Limited, Zebrano (Mauritius) Limited.

Disclaimer: - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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Section 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2010	2011	2012	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Jun 2012
Operating Highlights									
Total Customer Base	000's	137,013	220,877	251,646	230,831	236,986	243,336	251,646	260,710
Total Minutes on Network	Mn Min	643,109	890,093	1,020,615	251,962	250,446	252,972	265,235	274,616
Sites of Network	Nos	107,443	131,304	141,059	133,506	135,813	137,826	141,059	147,010
Total Employees[3]	Nos	18,791	23,371	20,479	22,858	21,548	20,675	20,479	20,892
No. of countries of operation	Nos	3	19	20	19	19	19	20	20
Population Covered	Bn	1.36	1.83	1.84	1.83	1.84	1.84	1.84	1.84
Consolidated Financials (Rs Mn)									
Total Revenue	Rs Mn	418,948	595,383	714,508	169,749	172,698	184,767	187,294	193,501
EBITDA	Rs Mn	168,149	200,718	237,123	57,058	58,151	59,584	62,329	58,487
EBIT	Rs Mn	105,317	98,652	103,442	25,744	26,312	23,739	27,646	20,916
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	162,817	180,581	204,836	50,324	49,356	51,576	53,581	48,671
Profit / (Loss) before Tax	Rs Mn	105,091	76,782	65,183	17,195	15,126	15,806	17,056	12,629
Net income	Rs Mn	89,768	60,467	42,594	12,152	10,270	10,113	10,059	7,622
Capex	Rs Mn	96,431	140,100	135,804	43,483	47,287	21,233	23,801	35,758
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	71,718	60,617	101,319	13,575	10,864	38,352	38,528	22,729
Net Debt	Rs Mn	23,920	599,512	650,394	600,186	644,298	677,628	650,394	682,983
Shareholder's Equity	Rs Mn	421,940	487,668	506,113	498,458	484,486	491,733	506,113	495,150
Consolidated Financials (US$ Mn)									
Total Revenue [1]	US$ Mn	8,797	13,063	14,937	3,794	3,782	3,649	3,723	3,583
EBITDA [1]	US$ Mn	3,531	4,403	4,957	1,275	1,273	1,177	1,239	1,083
EBIT [1]	US$ Mn	2,211	2,163	2,162	575	576	469	550	387
Cash profit from operations before Derivative & Exchange Fluctuations [1]	US$ Mn	3,419	3,961	4,282	1,125	1,081	1,019	1,065	901
Profit / (Loss) before Tax [1]	US$ Mn	2,207	1,682	1,363	384	331	312	339	234
Net income [1]	US$ Mn	1,885	1,325	890	272	225	200	200	141
Capex [1]	US$ Mn	2,025	3,072	2,839	972	1,035	419	473	662
Operating Free Cash Flow (EBITDA - Capex)	US$ Mn	1,506	1,330	2,118	303	238	757	766	421
Net Debt [2]	US$ Mn	530	13,427	12,714	13,421	13,169	12,722	12,714	12,129
Shareholder's Equity [2]	US$ Mn	9,347	10,922	9,893	11,146	9,903	9,232	9,893	8,793
Key Ratios									
EBITDA Margin	%	40.1%	33.7%	33.2%	33.6%	33.7%	32.2%	33.3%	30.2%
EBIT Margin	%	25.1%	16.6%	14.5%	15.2%	15.2%	12.8%	14.8%	10.8%
Net Profit Margin	%	21.4%	10.2%	6.0%	7.2%	5.9%	5.5%	5.4%	3.9%
Net Debt to Funded Equity Ratio	Times	0.06	1.23	1.29	1.20	1.33	1.38	1.29	1.38
Net Debt to EBITDA (LTM) - US$	Times	0.15	2.95	2.56	2.85	2.70	2.58	2.56	2.54
Net Debt to EBITDA (Annualised) - US$	Times	0.15	2.95	2.56	2.63	2.59	2.71	2.56	2.80
Interest Coverage ratio	Times	30.66	11.20	8.40	9.62	8.74	8.08	7.55	6.32
Return on Shareholder's Equity	%	24.5%	13.3%	8.6%	11.8%	10.3%	9.5%	8.6%	7.7%
Return on Capital employed	%	20.7%	10.8%	7.2%	8.2%	7.9%	7.3%	7.2%	6.6%
Valuation Indicators									
Market Capitalization	Rs Bn	1,184	1,358	1,279	1,501	1,436	1,302	1,279	1,158
Market Capitalization	US$ Bn	26.2	30.4	25.0	33.6	29.3	24.4	25.0	20.6
Enterprise Value	Rs Bn	1,172	1,957	1,929	2,101	2,080	1,980	1,929	1,841
EV / EBITDA (Annualised)	Times	6.97	9.75	8.14	9.21	8.94	8.31	7.74	7.87

1. Average exchange rates used for Rupee conversion to US$ is (a) Rs.47.63 for the financial year ended March 31, 2010 (b) Rs. 45.60 for the financial year ended March 31, 2011, (c) Rs. 47.84 for the financial year ended March 31, 2012 (d) Rs. 44.74 for the quarter ended June 30, 2011 (e) Rs. 45.67 for the quarter ended September 30, 2011 (f) Rs. 50.63 for the quarter ended December 31, 2011 (g) Rs. 50.30 for the quarter ended March 31, 2012 (h) Rs. 54.00 for the quarter ended June 30, 2012 based on the RBI Reference rate.
2. Closing exchange rates used for Rupee conversion to US$ is (a) Rs. 45.14 for the financial year ended March 31, 2010 (b) Rs. 44.65 for the quarter and financial year ended March 31, 2011 (c) Rs. 51.16 for the quarter and financial year ended March 31, 2012 (d) Rs. 44.72 for the quarter ended June 30, 2011 (e) Rs. 48.93 for the quarter ended September 30, 2011 (f) Rs 53.27 for the quarter ended December 31, 2011 (g) Rs. 56.31 for the quarter ended June 30, 2012 being the RBI Reference rate.
3. Total employees include proportionate consolidation of 42% of Indus Towers Employees.
4. Key Ratios computed using translated US$ values may yield different results in comparison with ratios computed using Rupee values.

Section 2

AN OVERVIEW

2.1 Introduction

We are one of the world's leading providers of telecommunication services with significant presence in India, operations spread over 17 countries of Africa, Sri Lanka and Bangladesh. We served close to 261 million customers as of June 30, 2012.

Our bouquet of services include telecommunication services under wireless and fixed line technology, integrated suite of telecom solutions to our enterprise customers and providing long distance connectivity both nationally and internationally. We also offer Digital TV and IPTV Services. All these services are rendered under a unified brand "airtel". The company also deploys, owns and manages passive infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

2.2 Business Divisions

2.2.1 India & South Asia

The operations of Bharti Airtel in India and South Asia are divided into two distinct Customer Business Units (CBU) with clear focus on B2C (Business to Customer) and B2B (Business to Business) segments. The B2C organization consists of Consumer Business and Market Operations. The B2B business unit focuses on serving large corporate and carriers through Bharti Airtel's wide portfolio of telecommunication solutions.

B2C Services:

Mobile Services (India & South Asia): We offer mobile services using GSM technology in South East Asia across India, Sri Lanka and Bangladesh, serving a total of 194 million customers in these geographies.

In India, we have 187.3 million mobile customers as on June 30, 2012, which makes us the largest wireless operator in the country both in terms of customers and revenues. We offer postpaid, pre-paid, roaming, internet, m-commerce and other value added services through our extensive sales and distribution network covering over 1.5 million outlets. Our network is present in 5,121 census towns and 455,575 non-census towns and villages in India, covering approximately 86.5% of the country's population. We also provide 3G services in key cities of the country offering host of innovative services to our customers like Mobile TV, video calls, live streaming of videos, gaming along with access to high speed internet. We have 5.1 million active 3G customers of which 3.7 million are active 3G data customers as on June 30, 2012. Our Airtel Money provides mobile wallet service offering money transfer between its own mobile wallets & to bank accounts including person to person money transfer capability.

Post the successful launch of 4G services in Kolkata, this quarter also saw the launch of 4G services in Bengaluru. These services based on TDLTE technology, offer a wide range of services to our customers including rich content, superfast access to High Definition (HD) video streaming, multiple chatting, instant uploading of pictures etc.

Our national long distance infrastructure comprises of 159,762 Rkms of optical fibre, thereby providing a pan India reach.

Airtel Sri Lanka has 1.6 million customers with presence in all 25 administrative districts of Sri Lanka. We have launched 3.5G services in major towns and have created a nationwide distribution network comprising of over 48,000 retailers.

Airtel Bangladesh has 5.3 million customers and offers mobile services across 64 districts of Bangladesh with a distribution network comprising of around 85,000 retailers across the country. The burgeoning economy of Bangladesh coupled with growing population coverage of nearly 70% presents a unique market opportunity for telecom services.

Telemedia Services – We provide broadband (DSL), data and telephone services (fixed line) in 87 cities with growing focus on various data solutions for the Small & Medium Business (SMB) segment. We have 3.3 million customers of which 1.4 million have subscribed to broadband / internet services, as on June 30, 2012.

Our product offerings in this segment include fixed-line telephones providing local, national and international long distance voice connectivity, broadband internet access through DSL, internet leased lines as well as MPLS (multiprotocol label switching) solutions. We remain strongly committed to our focus on the SMB segment by providing a range of telecom & software solutions and aim to achieve revenue leadership in this rapidly growing segment of the ICT market. The strategy of this business unit is to focus on cities with high revenue potential.

Digital TV Services – Airtel digital TV has 7.4 million customers on its Direct-To-Home (DTH) platform. We also offer High Definition (HD) Set Top Boxes and Digital TV Recorders with 3D capabilities delivering superior customer experience. We currently offer a total of 298 channels including 15 HD channels and 6 interactive services. We are the first company in India which provides real integration of all the three screens viz. television, mobile and computer enabling our customers to record their favorite TV programs through mobile and web.

B2B Services:

Airtel Business – Airtel business offers wide portfolio of services that include voice, data, network integration, data center & managed services, enterprise mobile applications and digital media. It is India's leading and most trusted provider of communication and ICT services to large Enterprise, Government, Small & Medium businesses and carrier customers.

Airtel business offers network infrastructure, integration & management with a combination of cutting edge global network infrastructure, technical skills and world-class services through a consultative approach. Our portfolio of MPLS and IP services helps our customers in keeping mission critical applications running and in managing the flow of information across the globe. Our data center & managed services include entire suite of managed hosting, storage, business continuity, data security & cloud services. Airtel business also offers digital media services, a centralized online media management and distribution platform akin to a media exchange linking all the content owners, production facilities and screens enabling

them to store, forward, share & trade multi versions of produced content to multiple platforms across the globe.

Our Global services for both voice and data, with strategically located submarine cable systems across the world and satellite connectivity in hard to reach areas, provide our customers connectivity from anywhere to everywhere in the world. Our international infrastructure includes ownership of the i2i submarine cable system connecting Chennai to Singapore, consortium ownership of the SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and our investments in new cable systems such as Asia America Gateway (AAG), India Middle East & Western Europe (IMEWE), Unity, EIG (Europe India Gateway) and East Africa Submarine System (EASSy) expanding our global network to over 225,000 Rkms, covering 50 countries across 5 Continents. We also have terrestrial express connectivity to neighboring countries including Nepal, Pakistan, Bhutan and China.

Passive Infrastructure Services – Bharti Infratel provides passive infrastructure services on a non-discriminatory basis to all telecom operators in India. It deploys, owns and manages passive infrastructure in 11 circles of India. Bharti Infratel also holds 42% share in Indus Towers (a Joint Venture between Bharti Infratel, Vodafone and Idea Cellular). Indus Towers operates in 15 circles (4 circles common with Bharti Infratel, 11 circles on exclusive basis).

Bharti Infratel has 33,660 towers in 11 circles, (excluding the 35,252 towers in 11 circles for which the right of use has been assigned to Indus Towers with effect from January 1, 2009). Indus Towers has a portfolio of 109,318 towers including the towers under right of use.

2.2.2 Africa

Mobile Services – We offer mobile services in 17 countries across Africa, namely: Nigeria, Burkina Faso, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Ghana, Kenya, Malawi, Seychelles, Sierra Leone, Tanzania, Uganda, Zambia and Rwanda. This makes Airtel's footprint across Africa, the largest amongst all telecommunication service providers in the continent. We continue to grow as the most loved brand and currently serve 55.9 million customers across these geographies. We offer wide range of services to our customers, which includes post-paid, pre-paid, roaming, One-Network, Airtel Money, internet services, content, media & entertainment and other non-voice services.

We continue to focus on 3G through roll-out of new sites across markets to increase the user base. The company is now offering services in 7 countries namely: Ghana, Kenya, Nigeria, Tanzania, Zambia, Congo B & Sierra Leone.

Our offerings under 'Airtel Money' brand allows our customers to enjoy the convenience of banking on their mobiles with new, secure & robust features and more stable platforms. Four countries launched Airtel money this quarter; namely Congo B, Niger, Tchad & Sierra Leone, taking the total number of countries to 12.

2.3 Partners

Strategic Equity Partners - We have a strategic alliance with SingTel, which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. The investment made by SingTel in Bharti is one of their largest investments made in the world outside Singapore.

Equipment and Technology Partners - We have long term strategic partnerships in all areas including network equipment, Information technology and call center technology building upon the unique outsourcing business models we pioneered. Our business models have enabled us to partner with global leaders who share our drive for co-creating innovative and tailor-made solutions for the markets we operate in.

For 2G/2.5G & 3G network equipments, we have partnered with Ericsson, Nokia Siemens Networks (NSN) and Huawei for the markets in India, Africa, Sri Lanka and Bangladesh.

We have partnered with ZTE, Huawei & Nokia Siemens Networks for our TD-LTE (popularly known as 4G) networks in the BWA telecom circles of Kolkata, Karnataka and Maharashtra respectively.

We have appointed Infosys as technology partner that powered the national launch of *airtel money.*

We have also entered into Supply & Services Contracts for enhanced packet core with Cisco, NSN & Huawei. These partners will design, deploy and maintain a state of the art packet core system to handle data traffic from 2G, 3G & LTE access networks.

Besides wireless network with strategic partners, we have also partnered with Alcatel Lucent, Huawei, ECI, Tejas Networks and Cisco for fiber/ carrier Ethernet based 3G backhaul products supply and deployment.

Alcatel Lucent (ALU) is our wire-line access network managed services partner through a joint venture company. It is responsible for deployment of fiber/ copper and service provisioning. However, we are free to choose the electronic equipment, switches and routers from any other competent suppliers and we do purchase equipment from world leaders like Cisco, Juniper, ECI, Tellabs and Huawei amongst others in addition to the strategic partners mentioned above.

IBM is our strategic partner for all business and enterprise IT systems. Our path breaking contract with IBM caters to, among other things, technology evolution, scale, tariff changes and subscriber growth. It is a Global IT outsourcing contract covering India, Bangladesh, Sri Lanka and African regions thereby taking our relationship to a truly global level. Under this contract, IBM will provide and run all telecom-related IT systems, software and services to support business requirements. It is helping Bharti Airtel derive economies of scale benefits, while ensuring similar customer services and experience across regions.

IBM Daksh, Wipro, Mphasis, FirstSource, Aegis, Teleperformance, Tech Mahindra and HGSL are our call centre partners and provide an excellent customer experience through dedicated contact center operations. Our existing call centre technology partners are Avaya, Wipro and Cisco.

We work with other renowned organizations such as Comviva, OnMobile, Acision, Yahoo, Google and Spice Digital, among others, to provide each of our customers with a unique experience in VAS like CRBT (caller ring back tone), Talk2Me (Interactive sessions with Celebrities), SMS, Music on Demand, Airtel Talkies (Movies via Audio), Buddy Finder, Email services and other Airtel Live applications. We also have an alliance with RIM for selling Blackberry enterprise and internet services.

SECTION 3

FINANCIAL HIGHLIGHTS

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.

Detailed financial statements, analysis & other related information is attached to this report (page 27 - 29). Also, kindly refer to Section 7.4 - use of Non - GAAP financial information (page 33) and Glossary (page 46) for detailed definitions.

3.1 Consolidated - Summary of Consolidated Financial Statements

3.1.1 Consolidated Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	**193,501**	**169,749**	**14%**
EBITDA	58,487	57,058	3%
EBITDA / Total revenues	*30.2%*	*33.6%*	
EBIT	20,916	25,745	-19%
Finance cost (net)	8,211	8,549	-4%
Profit / (Loss) before Tax	12,629	17,195	-27%
Income tax expense	4,878	5,141	-5%
Net income / (loss)	7,622	12,152	-37%
Capex	35,758	43,483	-18%
Operating Free Cash Flow (EBITDA - Capex)	22,729	13,575	67%
Cumulative Investments	1,865,052	1,629,756	14%

3.1.2 Consolidated Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Jun 30, 2012	As at Mar 31, 2012
Assets		
Non-current assets	1,482,473	1,422,532
Current assets	177,655	148,084
Total assets	**1,660,128**	**1,570,616**
Non-current liabilities	636,623	547,935
Current liabilities	500,656	488,873
Total liabilities	**1,137,279**	**1,036,808**
Equity & Minority Interest		
Equity	495,150	506,113
Non-Controlling Interest	27,699	27,695
Total Equity & Minority Interest	**522,849**	**533,808**
Total Equity and liabilities	**1,660,128**	**1,570,616**

3.2 Region wise - Summary of Consolidated Financial Statements

3.2.1 Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended Jun 2012			Quarter Ended Jun 2011		
	India & SA	Africa	Total	India & SA	Africa	Total
Total revenues	**137,177**	**57,586**	**193,501**	**126,306**	**43,784**	**169,749**
EBITDA	43,584	14,924	58,487	46,006	11,053	57,058
EBITDA / Total revenues	*31.8%*	*25.9%*	*30.2%*	*36.4%*	*25.2%*	*33.6%*
EBIT	17,533	3,405	20,916	23,473	2,272	25,745
Net income / (loss)	**14,338**	**(6,693)**	**7,622**	**15,167**	**(3,016)**	**12,152**
Capex	29,308	6,450	35,758	24,705	18,778	43,483
Operating Free Cash Flow (EBITDA - Capex)	14,276	8,474	22,729	21,300	(7,725)	13,575
Cumulative Investments	1,130,777	734,274	1,865,052	1,047,625	582,131	1,629,756

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Jun 30, 2012			
	India & SA	Africa	Eliminations	Total
Assets				
Non-current assets	781,845	709,156	(8,528)	1,482,473
Current assets	255,340	49,306	(126,991)	177,655
Total assets	**1,037,185**	**758,462**	**(135,519)**	**1,660,128**
Liabilities				
Non-current liabilities	166,715	469,908	-	636,623
Current liabilities	275,855	351,787	(126,986)	500,656
Total liabilities	**442,570**	**821,695**	**(126,986)**	**1,137,279**
Equity & Minority Interest				
Equity	566,236	(62,553)	(8,533)	495,150
Minority Interest	28,379	(680)	-	27,699
Total Equity & Minority Interest	**594,615**	**(63,233)**	**(8,533)**	**522,849**
Total Equity and liabilities	**1,037,185**	**758,462**	**(135,519)**	**1,660,128**

3.3 Segment wise Summarized Statement of Operations

INDIA & SOUTH ASIA

B2C Services

3.3.1 Mobile Services (India & South Asia) – comprises of Consolidated Statement of Operations of Mobile Services India & South Asia.

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	106,848	98,404	9%
EBITDA	32,350	33,614	-4%
EBITDA / Total revenues	*30.3%*	*34.2%*	
EBIT	17,012	20,853	-18%
Capex	19,411	13,452	44%
Operating Free Cash Flow (EBITDA - Capex)	12,939	20,162	-36%
Cumulative Investments	711,311	653,410	9%

Note 5: Cumulative investments include investments in 4G earlier reported under Telemedia services. Previous quarters' have been restated accordingly.

3.3.2 Telemedia Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	9,442	9,457	0%
EBITDA	3,809	4,304	-11%
EBITDA / Total revenues	*40.3%*	*45.5%*	
EBIT	1,333	2,220	-40%
Capex	2,081	3,113	-33%
Operating Free Cash Flow (EBITDA - Capex)	1,728	1,191	45%
Cumulative Investments	95,305	88,950	7%

Note 6: Cumulative investments in 4G earlier reported under Telemedia services have now been reported under Mobile services (India & South Asia). Previous quarters' have been restated accordingly.

3.3.3 Digital TV Services

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	3,658	2,934	25%
EBITDA	(23)	50	-147%
EBITDA / Total revenues	*-0.6%*	*1.7%*	
EBIT	(2,265)	(1,494)	-52%
Capex	3,241	3,014	8%
Operating Free Cash Flow (EBITDA - Capex)	(3,264)	(2,964)	-10%
Cumulative Investments	35,402	29,294	21%

B2B Services

3.3.4 Airtel Business

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	11,906	10,410	14%
EBITDA	1,963	2,303	-15%
EBITDA / Total revenues	*16.5%*	*22.1%*	
EBIT	591	683	-14%
Capex	166	295	-44%
Operating Free Cash Flow (EBITDA - Capex)	1,797	2,008	-11%
Cumulative Investments	42,927	41,405	4%

3.3.5 Passive Infrastructure Services – represents Bharti Infratel Ltd and proportionate consolidation of 42% Indus Towers.

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	24,048	22,767	6%
EBITDA	8,788	8,585	2%
EBITDA / Total revenues	*36.5%*	*37.7%*	
EBIT	3,420	3,433	0%
Capex	4,283	4,115	4%
Operating Free Cash Flow (EBITDA - Capex)	4,504	4,470	1%
Cumulative Investments	238,467	226,043	5%

Others

3.3.6 Others (India & South Asia)

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	817	791	3%
EBITDA	(2,495)	(2,067)	-21%
EBIT	(2,624)	(2,214)	-19%
Capex	126	726	-83%
Operating Free Cash Flow (EBITDA - Capex)	(2,621)	(2,793)	6%
Cumulative Investments	7,365	8,523	-14%

Includes corporate office and other support units.

AFRICA

3.3.7 Consolidated Africa – comprises of 17 country operations in Africa.

Amount in US $ mn, except ratios

Particulars	Quarter Ended		
	Jun-12	Jun-11	Y-on-Y Growth
Total revenues	1,066	979	9%
EBITDA	275	246	12%
EBITDA / Total revenues	*25.8%*	*25.2%*	
EBIT	62	50	23%
Capex	119	420	-72%
Operating Free Cash Flow (EBITDA - Capex)	156	(173)	190%
Cumulative Investments	13,041	13,017	0%

Note 7: Africa financials reported above are in their functional currency i.e., US$.
Note 8: In constant currency terms, Jun'12 reported revenues of $ 1,066 Mn against $ 913 Mn in the same quarter last year, which represents a growth of 17%.

3.4 Region wise & Segment wise Investment & Contribution

3.4.1 India and South Asia

Amount in Rs mn, except ratios

Segment	Quarter Ended Jun 2012						As at Jun 30, 2012	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services[9]	106,848	78%	32,350	74%	19,411	66%	711,311	63%
Telemedia Services	9,442	7%	3,809	9%	2,081	7%	95,305	8%
Digital TV Services	3,658	3%	(23)	0%	3,241	11%	35,402	3%
Airtel Business	11,906	9%	1,963	5%	166	1%	42,927	4%
Passive Infrastructure Services	24,048	18%	8,788	20%	4,283	15%	238,467	21%
Others	817	1%	(2,495)	-6%	126	0%	7,365	1%
Sub Total	**156,719**	**114%**	**44,392**	**102%**	**29,308**	**100%**	**1,130,777**	**100%**
Eliminations	(19,541)	-14%	(808)	-2%	-	0%		
Accumulated Depreciation And Amortization							(405,311)	
Total (India & SA)	**137,177**	**100%**	**43,584**	**100%**	**29,308**	**100%**	**725,466**	
Consolidated	**193,501**		**58,487**		**35,758**		**1,865,052**	
% of Consolidated	**71%**		**75%**		**82%**		**61%**	

Note 9: Cumulative Investments includes National optic fibre network.

3.4.2 Africa

Amount in US$ mn, except ratios

Segment	Quarter Ended Jun 2012						As at Jun 30, 2012	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Africa	1,066	100%	275	100%	119	100%	13,041	100%
Accumulated Depreciation And Amortization							(1,305)	
Total (Africa)	**1,066**	**100%**	**275**	**100%**	**119**	**100%**	**11,736**	
% of Consolidated	**29%**		**25%**		**18%**		**39%**	

SECTION 4

OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, Realization per Minute, Revenue per Site, Non Voice revenue, Messaging & VAS revenue, Data revenue, Others revenue, Gross revenue per employee per month, Personnel cost per employee per month are based on IFRS.

4.1 Customers and Non Voice % - Consolidated

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Mobile Services	**000's**	**250,038**	**241,148**	**4%**	**221,247**	**13%**
India & South Asia	000's	194,183	188,008	3%	174,941	11%
Africa	000's	55,855	53,140	5%	46,306	21%
Telemedia Services	000's	3,272	3,270	0%	3,322	-1%
Digital TV Services	000's	7,400	7,228	2%	6,262	18%
Total	**000's**	**260,710**	**251,646**	**4%**	**230,831**	**13%**
Non Voice Revenue as a % of Total Revenues	%	26.6%	25.5%		26.0%	

Note 10: Non Voice revenue now includes revenue from non-telecom (refer glossary for definition). Previous quarters' have been restated accordingly.

4.2 Traffic Details – Consolidated

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Mobile Services	**Mn Min**	**267,511**	**257,910**	**4%**	**244,668**	**9%**
India & South Asia	Mn Min	247,860	238,779	4%	228,331	9%
Africa	Mn Min	19,651	19,131	3%	16,337	20%
Telemedia Services	Mn Min	4,162	4,145	0%	4,570	-9%
National Long Distance Services	Mn Min	22,241	21,588	3%	19,878	12%
International Long Distance Services	Mn Min	3,362	3,518	-4%	3,119	8%
Total Minutes on Network (Gross)	**Mn Min**	**297,276**	**287,161**	**4%**	**272,235**	**9%**
Eliminations	Mn Min	(22,660)	(21,926)	3%	(20,272)	12%
Total Minutes on Network (Net)	**Mn Min**	**274,616**	**265,235**	**4%**	**251,962**	**9%**

4.3 Mobile Services India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Customer Base	000's	187,302	181,279	3%	169,187	11%
VLR	%	90.8%	91.7%		88.8%	
Net Additions	000's	6,023	5,626	7%	6,984	-14%
Pre-Paid (as a % of total Customer Base)	%	96.2%	96.3%		96.3%	
Monthly Churn	%	8.8%	8.8%		6.4%	
Average Revenue Per User (ARPU)	Rs	185	189	-2%	190	-3%
Average Revenue Per User (ARPU)	US$	3.4	3.8	-9%	4.3	-20%
Total Revenue / Minutes on Network	paisa	42.7	43.8	-3%	42.8	0%
Revenue per site per month	Rs	275,647	280,332	-2%	270,590	2%
Voice						
Minutes on the network	Mn	239,338	230,365	4%	221,560	8%
Voice Average Revenue Per User (ARPU)	Rs	154	158	-2%	161	-4%
Voice Usage per customer	min	433	431	0%	445	-3%
Voice Realization per minute	paisa	35.7	36.7	-3%	36.1	-1%
Non Voice Revenue						
% of Mobile revenues	%	16.3%	16.2%		15.6%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	10.8%	11.0%		12.1%	
Data as % of Mobile revenues	%	4.3%	4.1%		3.2%	
Others as % of Mobile revenues	%	1.2%	1.1%		0.3%	
Data						
Data Customer Base	000's	38,660	35,780	8%	NA	NA
Of which no. of 3G data customers	*000's*	*3,713*	*2,711*	37%	*NA*	NA
As % of Customer Base	*%*	*20.6%*	*19.7%*		*NA*	
Total MBs on the network	Mn MBs	12,566	10,006	26%	NA	NA
Data Average Revenue Per User (ARPU)	Rs	40	44	-10%	NA	NA
Data Usage per customer	MBs	112	107	5%	NA	NA
Data Realization per MB	paisa	35.3	40.9	-14%	NA	NA

4.4 Telemedia Services

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Telemedia Customers	000's	3,272	3,270	0%	3,322	-1%
Of which no. of broadband (DSL) customers	*000's*	*1,371*	*1,369*	*0%*	*1,433*	*-4%*
As % of Customer Base	*%*	*41.9%*	*41.9%*		*43.1%*	
Net additions	000's	2	(47)	104%	26	-92%
Average Revenue Per User (ARPU)	Rs	962	933	3%	952	1%
Average Revenue Per User (ARPU)	US$	17.8	18.6	-4%	21.3	-16%
Non Voice Revenue as a % of Telemedia revenues	%	54.3%	55.8%	-3%	52.0%	4%

4.5 Digital TV Services

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Digital TV Customers	000's	7,400	7,228	2%	6,262	18%
Net additions	000's	172	159	8%	600	-71%
Average Revenue Per User (ARPU)	Rs	166	166	0%	163	2%
Average Revenue Per User (ARPU)	US$	3.1	3.3	-7%	3.7	-16%
Monthly Churn	%	1.7%	1.2%		0.7%	

4.6 Network and Coverage - India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	5,121	5,118	3	5,114	7
Non-Census Towns and Villages	Nos	455,575	454,302	1,273	452,719	2,856
Population Coverage	%	86.5%	86.4%		86.2%	
Optic Fibre Network	R Kms	159,762	157,886	1,876	148,792	10,970
Sites on Network	Nos	126,010	120,905	5,105	117,144	8,866
Of which no. of 3G sites	*Nos*	*18,012*	*16,162*	1,850	10,669	7,343
Telemedia Services						
Cities covered	Nos	87	87	-	87	-
Airtel Business						
Submarine cable systems	Nos	7	7	-	7	-
Digital TV Services						
Districts Covered	Nos	616	609	7	550	66
Coverage	%	96%	95%		86%	

4.7 Passive Infrastructure Services

4.7.1 Bharti Infratel Consolidated

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Total Towers[11]	Nos	79,574	79,154	420	78,689	884
Total Tenancies[11]	Nos	151,932	150,315	1,616	144,706	7,225
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	32,360	34,104	-5%	33,533	-4%
Tenancy Ratio	Times	1.91	1.89		1.83	

Note 11: Total Towers and Tenancies include proportionate consolidation of 42% of Indus Towers.

4.7.2 Bharti Infratel Standalone

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Total Towers[12]	Nos	33,660	33,326	334	32,942	718
Total Tenancies	Nos	61,024	60,422	602	58,624	2,400
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	36,532	37,277	-2%	36,203	1%
Tenancy Ratio	Times	1.82	1.82		1.77	

Note 12: Total Towers are excluding 35,252 towers in 11 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009.

4.7.3 Indus Towers

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Total Towers	Nos	109,318	109,114	204	108,922	396
Total Tenancies	Nos	216,447	214,032	2,415	204,958	11,489
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	30,139	32,563	-7%	31,963	-6%
Tenancy Ratio	Times	1.97	1.94		1.87	

Note 13: Indus KPIs are on 100% basis.

4.8 Human Resource Analysis – India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Consolidated						
Total Employees[14]	Nos	15,256	14,935	321	16,545	(1,289)
Number of Customers per employee	Nos	12,977	12,841	136	10,805	2,172
Personnel cost per employee per month	Rs	118,119	110,252	7%	111,741	6%
Gross Revenue per employee per month	Rs	2,935,716	2,937,785	0%	2,504,062	17%

Note 14: Total Employees include proportionate consolidation of 42% Indus Towers employees.

4.9 Operational Performance - Africa

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Customer Base	000's	55,855	53,140	5%	46,306	21%
Net Additions	000's	2,715	2,191	24%	2,100	29%
Pre-Paid (as a % of total Customer Base)	%	99.3%	99.3%		99.3%	
Monthly Churn	%	5.1%	5.3%		6.3%	
Average Revenue Per User (ARPU)	US$	6.5	6.8	-4%	7.3	-10%
Total Revenue / Minutes on Network	US¢	5.4	5.6	-3%	6.0	-9%
Revenue per site per month	US$	23,134	24,522	-6%	26,196	-12%
Voice						
Minutes on the network	Mn	19,651	19,131	3%	16,337	20%
Voice Average Revenue Per User (ARPU)	US$	5.7	6.1	-7%	6.5	-13%
Voice Usage per customer	min	120	122	-1%	121	-1%
Voice Realization per minute	US¢	4.7	5.0	-6%	5.4	-12%
Non Voice Revenue						
% of Mobile revenues	%	12.9%	10.6%		10.6%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	7.0%	5.6%		5.4%	
Data as % of Mobile revenues	%	3.4%	3.2%		3.2%	
Others as % of Mobile revenues	%	2.5%	1.8%		2.0%	

Refer page 35 for KPI's in constant currency.

4.10 Network & Coverage - Africa

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Sites on Network	Nos	15,439	14,831	608	12,703	2,736
Of which no. of 3G sites	*Nos*	*4,787*	*3,205*	1,582	*NA*	*NA*

4.11 Human Resource Analysis - Africa

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Q-on-Q Growth	Jun 30, 2011	Y-on-Y Growth
Total Employees	Nos	4,907	4,792	115	5,474	(567)
Number of Customers per employee	Nos	11,383	11,089	293	8,459	2,924
Personnel cost per employee per month	US$	5,436	6,006	-9%	5,657	-4%
Gross Revenue per employee per month	US$	72,831	75,800	-4%	59,594	22%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India and South Asia

A. Key Industry Developments

1. TRAI Recommendations on Unified License

On 16 April 2012, TRAI released its recommendations on "Guidelines for Unified License / Class License and Migration of Existing Licences". Key Highlights of its recommendations are:

- Unified license to be issued/ granted on three levels, namely National Level, Service Area Level and District Level.
- One time non-refundable entry fee for Unified License to be: a) National level: Rs 15 Cr b) Service area level: Rs 1 Cr, except for Jammu and Kashmir and North East Service areas where entry fee recommended is Rs 50 lakh each c) District level: Rs 10 lakh.
- Lowering the maximum penalty for violation of licensing conditions from Rs 50 Cr to Rs.25 lakh for minor penalty and Rs 10 Cr for major penalty.
- IP-1 to be covered under Unified License.
- After Unified License policy, all existing licenses would automatically converted to Unified License (restricted) with same terms & conditions including scope of service and validity period. For conversion to Unified License (restricted), no additional entry fee will be payable.
- After conversion to Unified License (restricted), if an operators desires to expand / alter the service(s) offered or service area(s) of operations, then the operator will be required to apply / migrate to Unified License.
- During migration, entry fee already paid for the service area level licenses or district level licenses will be adjusted on *pro rata* basis for the balance validity period of such Licences at hand against the Entry Fee for the National level or Service area level Unified License. However, where the sum of Entry Fee already paid exceeds the Entry Fee to be paid, there will be no refund of the Entry Fee.

2. TRAI's 50th Amendment to Telecommunication Tariff Order' 99 (TTO)

TRAI has issued a 50th Amendment to TTO'99 increasing ceiling of Processing Fee on certain category of talk time recharge vouchers on 19 April, 2012. The key highlights are as follows:

- Increase in the ceiling of processing fee (PF) from Rs 2 to Rs 3 on talk time top-up recharges of Rs 20 and above denominations.
- Mandating availability of Rs.10 denomination as a top up voucher.

3. TRAI Recommendations on Auction of Spectrum

TRAI issued its recommendations on 'Auction of Spectrum' on April 23, 2012 and subsequently provided clarifications sought by DoT on the said recommendations. Key highlights are as follows:

- Reserve Price of 800/900 MHz and 700 MHz should be 2 & 4 times respectively of the reserve price for 1800 MHz i.e. Rs 3,622 Cr.
- Reserve price of 800 MHz at 1.3 times the 1800 MHz reserve price, where the spectrum availability for auction is less than 5 MHz.
- The limit for holding of spectrum in any service area to be fixed at 50% of the spectrum assigned in each band and 25% of the total access spectrum assigned in all bands put together.
- Uniform spectrum usage charge @ 1% of AGR which was subsequently revised to 3%.
- Refarming of 900 MHz spectrum available with operators.
- Arrangement to allocate spectrum in 1900 MHz for refarming of 800 MHz band.
- Deferred payment plan for payment of bid amount.
- Spectrum Mortgage/sharing to be allowed.

4. TRAI's Tariff Order on Digital Addressable Cable TV System (DAS)

Key highlights of the tariff order dated April 30, 2012 are:

- 42% Reference Interconnection offer rate (from Broadcaster to MSO) to stay.
- Revenue sharing between MSO (Multi System operators) and LCO (Local cable operators) to be based on mutual negotiation. In case of failure, the revenue shall be in the ratio of 55:45 (MSO:LCO) for FTA (Free to Air) and 65:35 for pay channels.

5. National Telecom Policy- 2012

The Union Cabinet of India on May 31, 2012, approved the National Telecom Policy (NTP) 2012 that provides for abolition of roaming charges and allows users to retain the same number across the country. Other key highlights of the NTP 2012 are:

- Strive to create One Nation - One License across services and service areas.
- Move towards Unified License regime.
- Delink spectrum in respect of all future licenses and move towards liberalization of spectrum.
- Refarm spectrum and allot alternative frequency bands to service providers from time to time.
- Increase rural tele-density from 39% to 70% by the year 2017 and 100% by the year 2020.
- Target 175 Mn broadband connections by the year 2017 and 600 Mn by the year 2020 at minimum 2 Mbps download speed.
- Utilization of domestic telecommunication equipment to the extent of 60% and 80% by the year 2017 and 2020 respectively with a minimum value addition of 45% and 65% respectively.

6. Uniform License Fee @ 8%

DoT has announced a uniform license fee rate of 8% of Adjusted Gross Revenues (AGR). The uniform rates shall be adopted for all the below licenses in two steps starting from July 1, 2012.

Category of License	Annual License fee as % of AGR	
	From 1st July 2012 to 31st March 2013	For the Year 2013 -14 and onwards
UASL (Metro/Category A,B & C)	9%, 8%, and 7% respectively.	8%
ISP	4%	8%
ISP-IT	7%	8%
NLD/ILD	7%	8%
VSAT	7%	8%

7. Guidelines for Auction of spectrum in 1800 MHz and 800 MHz

On July 3, 2012, DoT issued its guidelines on Auction of spectrum in 1800 MHz and 800 MHz band as below:

- **Liberalization of Spectrum:**
  - In future, all spectrums to be assigned shall be liberalized.
  - Service providers may be allowed to convert their existing 1800 MHz spectrum to liberalized spectrum for a period of 20 years on payment of auction determined price
- **Eligibility Criteria:**
  - Holder of CMTS/UAS Licences or those eligible for award of Unified License (UL).
  - Quashed licensees will be treated as new entrants.
- Validity period of spectrum to be auctioned shall be for 20 years.
- **Price related issues:**
  - Reserve price, Terms of Payment and Annual spectrum usage charges to be announced separately.
- **Auction of 1800 MHz band:**
  - A minimum of 8 blocks each of 1.25MHz (10MHz) across all circles.
  - In addition, a provision may also be made for spectrum upto 3 blocks each of 1.25MHz (3.75MHz), wherever available for topping upto the 8 blocks of spectrum put for auction i.e. upto a total of 11 blocks each of 1.25MHz to meet the requirement of new entrants, if such an exigency arises.
  - For existing operators a maximum of 2 blocks of 1.25 MHz to be allowed.
  - New entrants can bid for min 4 blocks and one additional block of 1.25 MHz each
- **Auction of 800 MHz band:**
  - Block Size: 1.25 MHz (Paired)
  - 3 block each of 1.25MHz (3.75MHz).
  - In addition, a provision may also be made for spectrum of 1 block of 1.25MHz, wherever available, for topping up the 3 blocks of spectrum to meet the requirement of new entrants, if such an exigency arises.
  - For existing operators a maximum of 1 block of 1.25 MHz to be allowed.
  - New entrants can bid for min 2 blocks and one additional block of 1.25 MHz

8. Decision of the Union Cabinet on reserve price for spectrum auctions

The Government of India vide its press release dated 3rd August 2012, announced the following decisions taken by the Union Cabinet:

- Reserve price of Rs 14,000 Cr for 5 MHz pan India spectrum in 1800 MHz band.

- Reserve price for 800 MHz band to be at 1.3 times that of 1800 MHz band.

- The Union Cabinet's decision to adopt escalating slabs of 3%-8% of AGR for Spectrum Usage Charge (SUC), instead of TRAI's recommendation of a flat rate of 3%, is disappointing. This would result in an imbalance skewed against the existing operators, and may affect bidding economics in a discriminatory manner.

B. Key Company Developments

- Bharti Airtel launched India's first 4G services in Kolkata and Bengaluru. Airtel has launched the service on a state-of-the-art network based on TD-LTE, making India one of the first countries in the world to commercially deploy this cutting-edge technology.

- Bharti Airtel acquires 49% in Qualcomm India's BWA entity to eventually roll out 4G networks on LTE TDD technology in Delhi, Mumbai, Haryana & Kerala to expand its footprint across India.

- Aimed at adding thrust to the adoption of 3G services, Bharti Airtel took the lead in announcing all new and affordable rates for its 3G customers across India.

- Bharti Airtel, through its wholly owned subsidiary Airtel MCommerce Services Limited, announced a partnership with Axis Bank for extending banking and payment services to India's unbanked millions through the mobile platform. The all new 'airtel money Super Account powered by Axis Bank' acts as a no-frills bank account that comes with remittance capabilities which empower customers to send money, withdraw cash from the nearby designated airtel money outlets, keep money safe and even enjoy interest on savings through their mobile device.

- Bharti Airtel announced its strategic foray into the mobile advertising (mAdvertising) segment, thus allowing advertisers to connect with potential customers in a targeted and personalized fashion via their mobile phones.

- In association with Manchester United, Bharti Airtel kicked off Airtel Rising Stars – an under-16 football talent hunt across India, Sri Lanka and Bangladesh.

- Brand Airtel announced its 'title sponsorship' association with TV show 'Satyamev Jayate'.

- Bharti Airtel bagged the rights for the exclusive mobile video content for UEFA Euro 2012 matches.

- Bharti Airtel was awarded 'Star News Viewers Choice Best Mobile Network' & 'Best Quality Mobile Network Service Provider' at 6th National Telecom Awards 2012 by CMAI. The recognition reinforces Airtel's commitment to provide a robust network and best in class service experience to its customers.

- Airtel's '*har friend zaroori hai, yaar*' campaign was conferred with 7 awards at Goafest 2012.

5.2 Africa

A. Key Industry Developments

Burkina Faso

- **3G license**
  Airtel has paid the 3G license fees as specified by the Government and is expecting issuance of the final license soon.

Chad

- **Taxes & Fees**
  The regulator is also considering the introduction of a new tax per customer per day to finance Sports programs in the country. Final decision is still pending.

DRC

- **3G License**
  Airtel has paid the 3G license fees as specified by the Government. Final terms and conditions have been agreed and signed.

Gabon

- **3G License**
  In October 2011, Airtel and the regulator signed an MoU granting a 3G license and the extension of the 2G license to match the duration of the 3G license at the proportionate rate. Efforts are ongoing to obtain the issuance of the Presidential Decree by the President of the Republic.

Kenya

- **LTE**
  The Kenya government called for submissions of interest in the proposed future LTE license consortium. Airtel has submitted its proposal and awaits further response from the government.

- **Know Your Subscribers (KYC)**
  The Finance Bill/Statutes Law Miscellaneous Amendment act was passed in parliament, formally introducing Subscriber registration; the deadline for which has been determined by CCK as 30th September 2012.

Malawi

- **Converged Licensing Framework**
  Final amendments have been published and all operators are now allowed to provide both fixed and mobile voice telephony.

Niger

- **3G License**
  The Government has opted for an international tender process to grant 3G licenses. The government will launch an international invitation for tender requesting all interested parties to bid for 3G licenses.

Nigeria

- **Taxes & Fees**
  An industry working group on 'Multiple-Taxation' has been formed with a mandate to engage the regulator in respect of multiple and inappropriate regulation and

taxation of telecommunications operations. A working plan is currently being constructed.

- **Fines on non-compliance with QoS Regulations**
  The Nigerian Communications Commission (NCC) has modified the Quality of Service (QoS) Key Performance Indicators (KPIs) under the QoS Regulations, resulting in reduction of the QoS KPIs to five (5) parameters which will form the basis of assessing QoS performance of operators until December 2013.

- **Mobile Number Portability**
  The NCC published MNP Business Rule and Port Order Processes. The NCC in partnership with the Number Portability Clearing house/Administration Service Provider held an on-site Workshop on MNP with network operators.

Rwanda

- **Interconnect Rates**
  New regulations have been passed on the International Gateway Traffic Verification System (IGTVS), introducing an increased minimal termination rates for all calls into the country.

B. Key Company Developments

- Airtel has rolled out 3G services in Ghana, Sierra Leone, Kenya, Nigeria, Zambia, Tanzania & Congo B, taking the total number of countries to 7.

- Airtel continues to drive the iconic stature of the brand. Airtel Rising Star has been launched in 15 countries. Airtel Rising Stars African Championship is scheduled to be hosted in Nairobi. As part of this program, deals have been signed with Manchester United & Arsenal FC.

- Airtel Money was launched in 4 countries namely Niger, Tchad, Congo B, Sierra Leone bringing the total countries to 12.

- Airtel Money was awarded “Best Mobile Money Service in Ghana” at the Mobile World Ghana Telecom awards.

- Airtel rolled out numerous youth campaigns across countries like DRC, Gabon, Nigeria, Kenya etc to drive its brand equity among the youth.

5.3 Results of Operations

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.

Key Highlights - *For the quarter ended June 30, 2012*

- **Overall customer base at 260.7 million.**
- **Net addition of 9.06 million customers.**
- **Total Revenues of Rs 193.5 billion (up 14% Y-o-Y).**
- **EBITDA Rs 58.5 billion (up 3% Y-o-Y).**
- **Net Income of Rs 7.6 billion (down 37% Y-o-Y).**
- **Operating free cash flow of Rs 22.7 billion (up 67% Y-o-Y).**

Bharti Airtel Consolidated

Quarter ended June 30, 2012

Customer Base
As on June 30, 2012, the company had an aggregate of 260.7 million customers consisting of 250.0 million Mobile, 3.3 million Telemedia and 7.4 million Digital TV customers. Its total customer base as on June 30, 2012 increased by 13% compared to its customer base as on June 30, 2011. The 250 million mark (wireless customers) is an important milestone for the company.

Revenues/Turnover
During the quarter ended June 30, 2012, the company recorded revenues of Rs 193,501 million, a growth of 14% compared to the quarter ended June 30, 2011. Non-voice revenue contributed to approximately 26.6% of the total revenues for the quarter.

Operating Expenses (excluding-revenue share license and spectrum fee)
During the quarter ended June 30, 2012; the company incurred an operating expenditure of Rs 91,788 million representing 47.4% of the total revenues. The operating expense comprises of: Rs 45,425 million towards network operations cost (23.5% of total revenues), Rs 35,750 million towards selling, general & administrative cost (18.5% of total revenues), Rs 9,193 million towards employee costs (4.8% of total revenues) and Rs 1,420 million towards cost of goods sold (0.7% of total revenues).

EBITDA, EBIT & Finance Cost
During the quarter ended June 30, 2012, the company had an EBITDA of Rs 58,487 million, a growth of 3% compared to the quarter ended June 30, 2011. The reported EBITDA margin for the quarter was 30.2%.

During the quarter ended June 30, 2012, the company had depreciation and amortization expenses of Rs 37,571 million. The resultant EBIT for the quarter ended June 30, 2012 was Rs 20,916 million, a decline of 19% compared to quarter ended June 30, 2011.

The net finance cost for the quarter ended June 30, 2012 was Rs 8,211 million. During the quarter, the interest on borrowings & finance charges was Rs 10,726 million, derivatives & exchange fluctuation gain of Rs 1,605 million and the investment income (primarily related to income on marketable securities) was Rs 910 million.

Profit / (Loss) Before Tax (PBT)
The Profit / (Loss) before tax for the quarter was Rs 12,629 million, a decrease of 27%, as compared to the quarter ended June 30, 2011. Stagnant EBITDA coupled with higher depreciation and amortization arising from enhanced capex and license fees has resulted in the lower PBT.

Net income
The net income for the quarter ended June 30, 2012 was Rs 7,622 million representing a Y-o-Y decline of 37%. The current tax for the quarter ended June 30, 2012 was Rs 7,907 million and deferred tax expense / (income) was Rs (3,029) million.

Statement of Financial Position
The Company had total assets of Rs 1,660,128 million and total liabilities of Rs 1,137,279 million, as on June 30, 2012. The difference of Rs 522,849 million was on account of Equity attributable to equity holders of parent and non-controlling interest. Equity movement during the quarter ended June 30, 2012 includes reduction in foreign currency translation reserve (FCTR) of Rs 18,682 million arising from depreciation of Rupee and the movements of various functional currencies of overseas operations, on net basis.

The company had a net debt of Rs 682,983 million (US$ 12,129 million) as on June 30, 2012, resulting in a Net Debt (in US $) to EBITDA (LTM in US $) of 2.54. The Net Debt has reduced during the quarter by US$ 585 million.

Capital Expenditure & Operating Free Cash Flow
During the quarter ended June 30, 2012, the company incurred capital expenditure of Rs 35,758 million. The Operating Free Cash Flow during the quarter was Rs 22,729 million, a strong growth of 67% over the same period last year.

Human Resources
As on June 30, 2012, the company had a total of 20,892 employees.

B2C Services – India & South Asia

Mobile Services

The Company and the industry were adversely impacted by restrictions on special tariff vouchers enforced by the Regulator in India. The hike in service tax for April 2012 also rendered telecom services costlier. The market continues to be characterized by hyper competition despite the cancellation of 122 wireless licenses by the Supreme Court in February 2012. The company is focusing all its attention in developing the Data and VAS businesses, even while sustaining growth in overall minutes of usage.

Customer Base, Churn, ARPU and MoU - India
As on June 30, 2012, the company had 187.3 million GSM mobile customers on its network of which number of 3G customers were 5.1 million. The average monthly churn for the quarter ended June 30, 2012 was 8.8%. Sustained hyper competition has driven this industry to become structurally defective with abnormally high rotational churn. The industry is witnessing high levels of gross customer additions

resulting in net additions of less than 10%. This has a significant bearing on the telecom industry's profitability.

During the quarter, blended ARPU was Rs 185 (US$ 3.4) per month. The blended monthly voice usage per customer during the quarter was at 433 minutes.

The gross realization per minute during the quarter was 42.7 paisa. Voice ARPU was Rs 154 and Voice realization was 35.7 paisa per minute. The company had 38.7 million Data (Mobile Internet) customers, of which 3.7 million used 3G services. Data ARPU came in at Rs 40 , helped by average data download of 112 MBs per user per month, and blended data realization rate of 35.3 paisa per MB. Value added services, which includes revenue from services apart from voice, data & others viz. SMS, MMS, Ring Back Tones, Airtel Talkies, Music on Demand etc. contributed to approximately 10.8% of the total revenues of the segment.

Data and Value Added Services offer tremendous growth potential, and the company is leading the market development of these services through innovations, sachet packs, mass advertising, deep penetration, network expansion and market activation. The handset ecosystem is also making significant progress, with 3G-enabled phones especially smartphones riding a virtuous cycle of affordability, scale and innovation.

Revenues, EBITDA and EBIT
The revenues for the quarter ended June 30, 2012 for mobile services stood at Rs 106,848 million, a growth of 9% over the corresponding quarter last year. The revenue from this segment contributed to 77.9% of the total revenues of India & South Asia.

Mobile revenues in India during the quarter were impacted by two significant changes:

i) The Telecom Regulatory Authority of India (“TRAI”) guidelines around processing fees restricted the sales of "combo packs" which offered bundled service propositions to augment customer value. These regulations have restricted the operators from free market pricing prevalent hitherto. The net impact of these changes in this quarter was in the range of Rs 2,500 – Rs 3,000 million.

The industry is of the firm view that the Indian market is highly competitive. The principles of "forbearance" have guided healthy competition; hence, the pricing intervention by TRAI is uncalled for. The Company, along with the rest of the industry, has appealed to the Regulator to restore pricing flexibility.

ii) The service tax hike from 10.3% to 12.36%, effective 1st April 2012, caused all telecom services to become dearer by nearly 2%, with the entire additional levy being passed through to the exchequer. The service tax amount on the Company's Mobile revenues has increased from Rs 9,442 million in the previous quarter to Rs 11,594 million in the current quarter. On one hand, this has adversely impacted the usage in respect of value recharges; on the other, it has reduced the effective realization on usage based vouchers.

Depressed revenues on account of unfavourable regulatory interventions and taxation, coupled with enhanced market participation and planned accelerated investments have impacted mobile profitability. Increased aggression enabled 9.0 Bn incremental minutes, despite the adverse impact of the service tax hike partially neutralized by the positive usage impact arising from processing fee reductions.

The EBITDA during the quarter ended June 30, 2012 was Rs 32,350 million representing a decline of 4% over the quarter ended June 30, 2011. The EBITDA margin for the quarter ended June 30, 2012 was 30.3%. The EBIT for the quarter ended June 30, 2012 was Rs 17,012 million as compared to Rs 20,853 million for the quarter ended June 30, 2011, a decline of 18%.

Capital Expenditure
During the quarter ended June 30, 2012, the company incurred a capital expenditure of Rs 19,411 million in Mobile Services (including investments towards launch of 4G services).

Telemedia Services

Customer Base and ARPU
As on June 30, 2012, the company had its Telemedia operations in 87 cities. The number of customers stood at 3.3 million customers as on June 30, 2012. The company had approximately 1.4 million broadband (DSL) customers. The ARPU for the quarter was Rs 962 (US$ 17.8) per month.

Revenues, EBITDA and EBIT
For the quarter ended June 30, 2012, the revenues from Telemedia operations of Rs 9,442 million represented a decline of 0.2% over the corresponding quarter last year. The EBITDA for the quarter was Rs 3,809 million compared to Rs 4,304 million in the corresponding prior year quarter, a decrease of 11%. The EBITDA margin for this segment was 40.3%. The EBIT was Rs 1,333 million as compared to Rs 2,220 million for the quarter ended June 30, 2011, a decline of 40%.

Capital Expenditure
During the quarter ended June 30, 2012, the company incurred a capital expenditure of Rs 2,081 million in Telemedia Services.

Digital TV Services

Customer Base and ARPU
As on June 30, 2012, the company had its Digital TV operations in 616 districts. The number of customers stood at 7.4 million customers as on June 30, 2012. The ARPU for the quarter was Rs 166 (US$ 3.1) per month.

Revenues, EBITDA and EBIT
For the quarter ended June 30, 2012, the revenues from Digital TV operations of Rs 3,658 million represented a growth of 25% over the corresponding quarter last year. The EBITDA for the quarter was Rs (23) million representing a decline of 147% over the corresponding quarter last year. The EBITDA margin for this segment was -0.6% for the quarter ended June 30, 2012. The EBIT loss for the quarter was Rs 2,265 million as compared to loss of Rs 1,494 million for the quarter ended June 30, 2011.

Capital Expenditure
During the quarter ended June 30, 2012, the company incurred a capital expenditure of Rs 3,241 million in Digital TV Services.

B2B Services – India & South Asia

Airtel Business

Revenues, EBITDA and EBIT
The revenues for the quarter ended June 30, 2012 for Airtel Business stood at Rs 11,906 million, a healthy growth of 14% over the corresponding quarter last year. The revenue from this segment contributed to 8.7% of the total revenues of India and South Asia. The EBITDA during the quarter ended June 30, 2012 was Rs 1,963 million, a decline of 15% over the corresponding quarter last year. The EBITDA margin for the quarter ended June 30, 2012 was16.5%. The EBIT for the quarter ended June 30, 2012 was Rs 591 million as compared to Rs 683 million for the quarter ended

June 30, 2011, a decline of 14%. With the transition from capex to opex model, Company believes EBIT as a right measure of profitability for the business.

Capital Expenditure
During the quarter ended June 30, 2012, the company incurred a capital expenditure of Rs 166 million in Airtel Business. The segment contributed a healthy Operating Free Cash Flow of Rs 1,797 million; at 15.1% of revenues, this reflects a strong cash generating business.

Passive Infrastructure Services

Revenues, EBITDA and EBIT
The revenues for the quarter ended June 30, 2012 for its Passive Infrastructure Services were Rs 24,048 million a growth of 6% over the corresponding quarter last year. The EBITDA during the quarter ended June 30, 2012 was Rs 8,788 million representing a growth of 2% over the quarter ended June 30, 2011. The EBITDA margin for the quarter ended June 30, 2012 was 36.5%. The EBIT for the quarter ended June 30, 2012 was Rs 3,420 million as compared to Rs 3,433 million for the quarter ended June 30, 2011, a decline of 0.4%.

Capital Expenditure
During the quarter ended June 30, 2012, the company incurred a capital expenditure of Rs 4,283 million in Passive Infrastructure Services.

Towers and Sharing Operators
As at the end of the quarter, Bharti Infratel had 33,660 towers and tenancy ratio of 1.82 times. As at the end of the quarter, Indus Towers had 109,318 towers and tenancy ratio of 1.97 times.

Mobile Services – Africa

Economic and currency headwinds are evident in key markets, as a result of the eurozone crisis, slowing down of aid and grants, rising inflation and political issues in some countries. With this in mind, the company chose to accelerate the intensity of market operations to stimulate more growth in the coming quarters.

Customer Base, ARPU and MoU
At the end of the quarter ended June 30, 2012, the company had 55.9 million GSM mobile customers on its network. During the quarter, the company added 2.7 million customers. The ARPU for the quarter was US$ 6.5 per month. The blended monthly voice usage per customer, during the quarter was 120 minutes.

Non voice revenue, which includes revenue from services other than voice i.e., Messaging & VAS (including SMS, GPRS, MMS, Ring Back Tone, Airtel Talkies, Music on Demand), data, others etc. contributed to approximately 12.9% of the total revenues of the segment.

The company added 150,000 selling outlets to touch 1.24 million outlets, and is all set to become Africa's largest retailer by 2013. The company's exclusive airtel express outlets have crossed 1,000. The company now offers its low-cost, innovative airtel money service in 12 African countries. The company has so far launched 3G in 7 countries with roll out of 4,787 sites. The number of 2G sites has also increased by 22% to 15,439 over June 30, 2011.

Significant marketing investments were made in several campaigns such as 3G, airtel money, airtel Rising Stars, Arsenal Football Club sponsorship and 'Zambitious'.

Revenues, EBITDA and EBIT
During the quarter, in local currency terms, the company's revenue in Africa grew by 17% over the corresponding period last year. In Rupee terms, Africa revenue came in at Rs 57,586 million representing a strong growth of 32% over last year, helping to lift the overall consolidated growth of the company.

EBITDA in Rupee terms of Rs 14,924 million grew by 35% over the corresponding period last year, thanks to strong growth in revenues, improved margin and favourable currency movement. The EBITDA margin slightly improved to 25.8% from 25.2% in the corresponding quarter last year.

Investments in network expansion, head start in 3G rollout, the Rwanda launch, stepping up of marketing campaigns including airtel money and distribution expansion resulted in a lower EBITDA compared to the previous quarter ended March 31, 2012. But, the company has reinforced the investments made in the last two years in the basic pillars of the business, viz., network, brand, distribution and products. While the soft market conditions came in the way of revenue growth in this quarter, the investments made during this period are strategically placed in the right direction for long-term growth and profitability of the business in Africa.

EBIT for the quarter ended June 30, 2012 was Rs 3,405 million representing a growth of 50% over the corresponding quarter last year.

Net Income
The net loss for the quarter was significantly high at Rs 6,693 million, mainly due to the pressures on EBITDA, higher depreciation and substantial finance cost including forex losses.

Capital Expenditure
During the quarter ended June 30, 2012, the company incurred a capital expenditure of Rs 6,450 million on its African operations. The resultant Operating Free Cash Flow in Africa was a record Rs 8,474 million.

5.4 Bharti's Three Line Graph

The company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

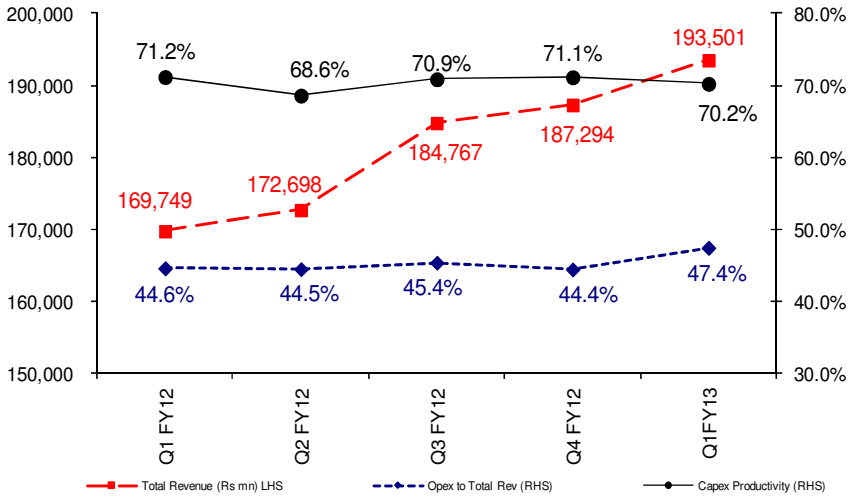
1. Total Revenues i.e. absolute turnover/sales

2. Opex Productivity – operating expenses divided by the total revenues for the respective period. Operating expenses is the sum of (i) equipment costs (ii) employee costs (iii) network operations costs & (iv) selling, general and administrative costs. This ratio depicts the operational efficiencies in the company

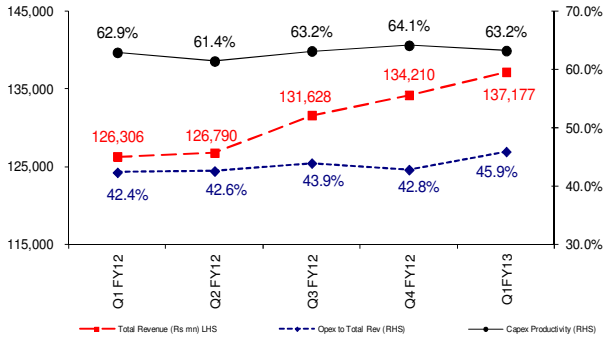
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the company. This ratio depicts the asset productivity of the company.

Given below are the graphs for the last five quarters of the company:

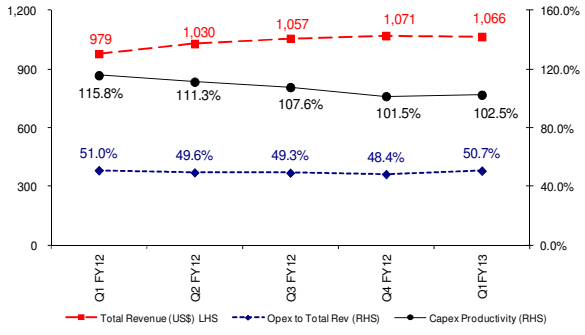
5.4.1 Bharti Airtel Consolidated



5.4.2 Bharti Airtel - India & South Asia



5.4.3 Bharti Airtel – Africa



SECTION 6

STOCK MARKET HIGHLIGHTS

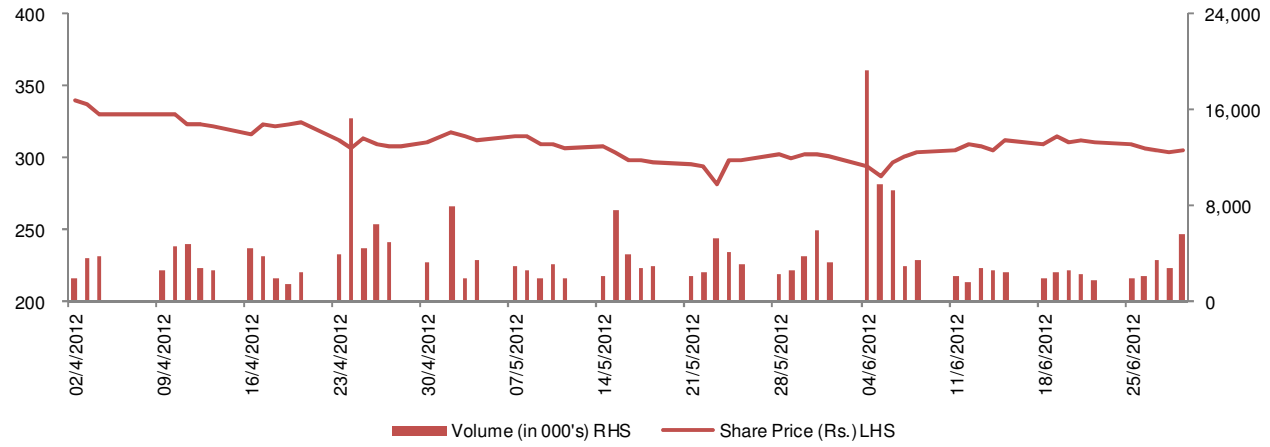
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (29/06/12)	Mn Nos	3,797.53
Closing Market Price - BSE (29/06/12)	Rs /Share	305.00
Combined Volume (NSE & BSE) (02/04/12-29/06/12)	Nos in Mn/day	3.86
Combined Value (NSE & BSE) (02/04/12-29/06/12)	Rs bn /day	1.18
Market Capitalization	Rs bn	1,158
Market Capitalization	US$ bn	20.57
Book Value Per Equity Share	Rs /share	130.38
Market Price/Book Value	Times	2.34
Enterprise Value	Rs bn	1,841
Enterprise Value	US$ bn	32.70
Enterprise Value/ Annualised Q1 Revenue	Times	2.38
Enterprise Value/ Annualised Q1 EBITDA	Times	7.87

6.2 Summarized Shareholding pattern as of June 30, 2012

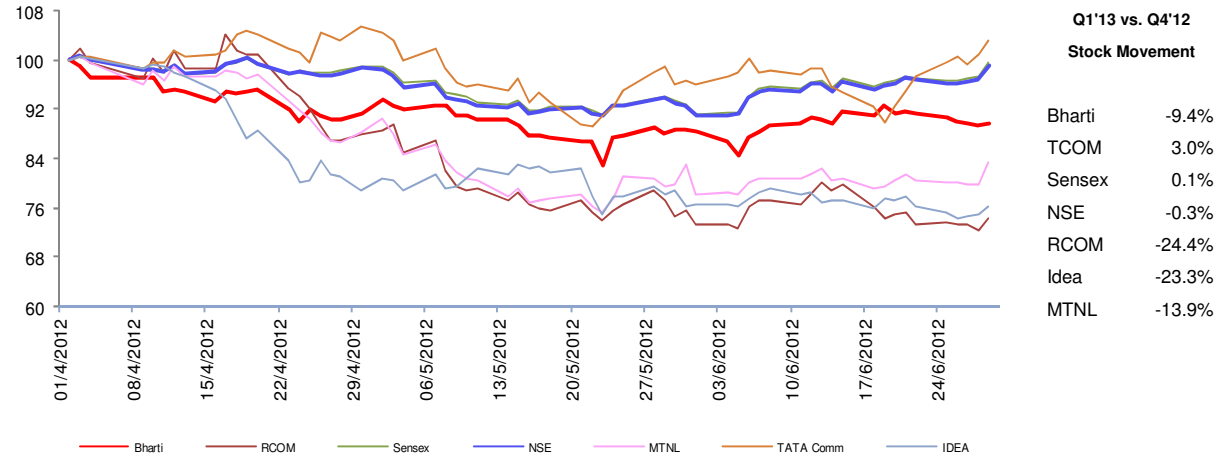
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,735,453,890	45.70%
Foreign	865,673,286	22.80%
Sub total	**2,601,127,176**	**68.50%**
Public Shareholding		
Institutions	959,923,970	25.28%
Non-institutions	236,478,950	6.23%
Sub total	**1,196,402,920**	**31.50%**
Total	**3,797,530,096**	**100.00%**

6.3 Bharti Airtel Daily Stock price (BSE) and Volume (BSE & NSE Combined) Movement



Source: Bloomberg

6.4 Comparison of Domestic Telecom Stock movement with Sensex and Nifty



Q1'13 vs. Q4'12 Stock Movement

Bharti	-9.4%
TCOM	3.0%
Sensex	0.1%
NSE	-0.3%
RCOM	-24.4%
Idea	-23.3%
MTNL	-13.9%

Source: Bloomberg

SECTION 7

DETAILED FINANCIAL AND RELATED INFORMATION

7.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS)

7.1.1 Consolidated Statement of Income

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun 2012	Jun 2011	Y-on-Y Growth
Revenue	193,501	169,749	14%
Other operating income	118	79	49%
Operating expenses	(135,132)	(112,769)	20%
Depreciation & amortisation	(37,571)	(31,314)	20%
Profit / (Loss) from operations	**20,916**	**25,745**	**-19%**
Share of results of associates	(76)	-	
Profit / (Loss) before interest and tax	**20,840**	**25,745**	**-19%**
Finance income	2,618	696	276%
Finance costs	(10,829)	(9,246)	17%
Profit / (Loss) before tax	**12,629**	**17,195**	**-27%**
Income tax income/(expense)	(4,878)	(5,141)	-5%
Net income / (loss) for the period	**7,751**	**12,054**	**-36%**
Income Attributable to :			
Equity holders of the parent	**7,622**	**12,152**	**-37%**
Non controlling interests	129	(98)	-232%
Net Income / (Loss)	7,751	12,054	-36%
Earning Per Share			
Basic, profit attributable to equity holders of parent (In Rs)	2.01	3.20	
Diluted, profit attributable to equity holders of parent (In Rs)	2.01	3.20	

7.1.2 Consolidated Statement of Comprehensive Income

Particulars	Quarter Ended		
	Jun 2012	Jun 2011	Y-on-Y Growth
Net income / (loss) for the period	7,751	12,054	-36%
Exchange differences on translation of foreign operations	(18,709)	(1,181)	1485%
Total comprehensive income / (loss) for the period, net of tax	**(10,958)**	**10,873**	**-201%**
Total comprehensive income / (loss) attributable to :			
Equity holders of the parent	**(11,060)**	**10,931**	**-201%**
Non controlling interests	102	(58)	-277%
Total Comprehensive Income / (Loss)	**(10,958)**	**10,873**	**-201%**

7.1.3 Consolidated Statement of Financial Position

Amount in Rs mn

Particulars	As at Jun 30, 2012	As at Mar 31, 2012
Assets		
Non-current assets		
Property, plant and equipment	694,283	674,932
Intangible assets	682,742	660,889
Investment in associates	9,229	24
Derivative financial assets	4,029	2,756
Other financial assets	15,994	17,086
Other non - financial assets	17,107	15,568
Deferred tax asset	59,089	51,277
	1,482,473	**1,422,532**
Current assets		
Inventories	1,323	1,308
Trade and other receivable	70,882	63,735
Derivative financial assets	3,030	2,137
Prepayments and other assets	36,810	32,621
Income tax recoverable	8,968	9,049
Short term investments	33,003	18,132
Other financial assets	701	802
Cash and cash equivalents	22,938	20,300
	177,655	**148,084**
Total assets	**1,660,128**	**1,570,616**
Equity and liabilities		
Equity		
Issued capital	18,988	18,988
Treasury shares	(236)	(282)
Share premium	56,499	56,499
Retained earnings / (deficit)	403,304	395,682
Foreign currency translation reserve	(24,708)	(6,026)
Other components of equity	41,303	41,252
Equity attributable to equity holders of parent	**495,150**	**506,113**
Non-controlling interest	27,699	27,695
Total equity	**522,849**	**533,808**
Non-current liabilities		
Borrowing	577,569	497,154
Deferred revenue	8,771	2,892
Provisions	7,817	7,240
Derivative financial liabilities	1,026	401
Deferred tax liability	13,595	11,621
Other financial liabilities	23,660	23,076
Other non - financial liabilities	4,185	5,551
	636,623	**547,935**
Current liabilities		
Borrowing	163,075	193,078
Deferred revenue	38,410	43,282
Provisions	1,714	1,290
Other non - financial liabilities	16,245	10,811
Derivative financial liabilities	506	166
Income tax liabilities	6,307	7,596
Trade & other payables	274,399	232,650
	500,656	**488,873**
Total liabilities	**1,137,279**	**1,036,808**
Total equity and liabilities	**1,660,128**	**1,570,616**

7.1.4 Consolidated Statement of Cash Flows

Amount in Rs mn

Particulars	Quarter Ended Jun 30, 2012
Cash flows from operating activities	
Profit before tax	**12,629**
Adjustments for -	
Depreciation and amortization	37,571
Finance income	(2,618)
Finance cost	10,829
Share of results of associated companies (post tax)	76
Amortization of stock based compensation	90
Other non-cash items	124
Operating cash flow before changes in assets and liabilities	**58,701**
Trade & other receivables and prepayments	(9,996)
Inventories	34
Trade and other payables	28,670
Change in provision	606
Other financial and non financial liabilities	(1,228)
Other financial and non financial assets	427
Cash generated from operations	**77,214**
Interest received	109
Income tax paid	(7,143)
Net cash inflow from operating activities	**70,180**
Cash flows from investing activities	
Proceeds/(Purchase) of property, plant and equipment	(28,085)
Purchase of intangible assets	(1,156)
Short term investments (Net)	(14,276)
Investment in associates	(9,281)
Loan to associates	(60)
Net cash outflow from investing activities	**(52,858)**
Cash flows from financing activities	
Proceeds from issuance of borrowings	95,449
Repayment of borrowings	(97,345)
Short term borrowings (net)	(2,295)
Interest paid	(10,440)
Proceeds from exercise of stock options	11
Dividend paid (including tax) to non - controlling interests	(101)
Net cash inflow / (outflow) from financing activities	**(14,721)**
Net (decrease) / increase in cash and cash equivalents during the period	**2,601**
Effect of exchange rate changes on cash and cash equivalents	(2,431)
Add : Balance as at the Beginning of the period	8,037
Balance as at the end of the period	**8,207**

Note 15: Cash and Cash Equivalents is excluding bank overdraft

7.2 Schedules to Financial Statements

7.2.1 India & South Asia

7.2.1.1 Schedule of Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended Jun 30, 2012
Access charges	16,866
Licence fees, revenue share & spectrum charges	13,868
Network operations costs	35,393
Cost of goods sold	322
Employee costs	5,101
Selling, general and adminstration expense	22,165
Operating Expenses	**93,715**

7.2.1.2 Schedule of Depreciation & Amortization

Amount in Rs mn

Particulars	Quarter Ended Jun 30, 2012
Depreciation	23,050
Amortization	3,001
Depreciation and Amortization	**26,051**

7.2.1.3 Schedule of Income Tax

Amount in Rs mn

Particulars	Quarter Ended Jun 30, 2012
Current tax expense	5,627
Deferred tax expense / (income)	(1,915)
Income tax expense	**3,712**

7.2.2 Africa

7.2.2.1 Schedule of Operating Expenses

Amount in US$ mn

Particulars	Quarter Ended Jun 30, 2012
Access charges	206
Licence fees, revenue share & spectrum charges	45
Network operations costs	188
Cost of goods sold	20
Employee costs	80
Selling, general and adminstration expense	253
Operating Expenses	**792**

7.2.2.2 Schedule of Depreciation & Amortization

Amount in US$ mn

Particulars	Quarter Ended Jun 30, 2012
Depreciation	149
Amortization	64
Depreciation and Amortization	**213**

7.2.2.3 Schedule of Income Tax

Amount in US$ mn

Particulars	Quarter Ended Jun 30, 2012
Current tax expense	42
Deferred tax expense / (income)	(21)
Income tax expense	**21**

7.3 Schedule of Net Debt & Finance Cost

7.3.1 Schedule of Net Debt in INR

Amount in Rs mn

Particulars	As at Jun 30, 2012
Long term debt, net of current portion	577,569
Short-term borrowings and current portion of long-term debt	163,077
Less:	
Cash and Cash Equivalents	22,938
Restricted Cash	890
Restricted Cash, non-current	831
Short term investments	33,003
Net Debt	**682,983**

7.3.2 Schedule of Net Debt in US$

Amount in US $ mn

Particulars	As at Jun 30, 2012
Long term debt, net of current portion	10,257
Short-term borrowings and current portion of long-term debt	2,896
Less:	
Cash and Cash Equivalents	407
Restricted Cash	16
Restricted Cash, non-current	15
Short term investments	586
Net Debt	**12,129**

7.3.3 Schedule of Finance Cost

Amount in Rs mn

Particulars	Quarter Ended Jun 30, 2012
Interest on borrowings & Finance charges	10,726
Derivatives and exchange (gain)/loss	(1,605)
Investment Income	(910)
Finance cost (net)	**8,211**

7.4 Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit / (Loss) from Operating Activities	Page 33
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit / (Loss) from Operating Activities	Page 33
Capex	NA	NA
Operating Free Cash flow	NA	NA
Cumulative investments	NA	NA

7.4.1 Reconciliation of Non-GAAP financial information based on IFRS

Amount in Rs mn

Particulars	Quarter Ended Jun 2012
Profit / (Loss) from Operating Activities To EBITDA	
Profit / (Loss) from Operating Activities	**20,916**
Add: Depreciation and Amortization	37,571
EBITDA	**58,487**

Reconciliation of Finance Cost	
Finance Cost	10,829
Finance Income	(2,618)
Finance Cost (net)	**8,211**

Profit / (Loss) from Operating Activities to Cash Profit from Operations before Derivative & Exchange Fluctuation	
Profit / (Loss) from Operating Activities	**20,916**
Add: Depreciation and Amortization	37,571
Less: Finance Cost (net)	8,211
Add: Derivatives and exchange (gain)/loss	(1,605)
Cash Profit from Operations	**48,671**

ANNEXURE – TRENDS AND POLICIES

A.1 Trends & Ratio Analysis

A.1.1 Based on Statement of Operations

Consolidated

Amount in Rs mn

Parameters	For the Quarter Ended				
	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
Total Revenues	193,501	187,294	184,767	172,698	169,749
Access and interconnection charges	27,045	25,658	26,235	23,310	22,158
Operating Expenses (Excl Access Charges & License Fee)	91,788	83,183	83,826	76,794	75,672
Licence Fee	16,300	16,218	15,434	14,508	14,939
EBITDA	58,487	62,329	59,584	58,151	57,058
Cash profit from operations before Derivative and Exchange Fluctuations	48,671	53,581	51,576	49,356	50,324
Profit / (Loss) before tax	12,629	17,056	15,806	15,126	17,195
Net income	7,622	10,059	10,113	10,270	12,152

	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
As a % of Total Revenues					
Access and interconnection charges	14.0%	13.7%	14.2%	13.5%	13.1%
Operating Expenses (Excl Access Charges & License Fee)	47.4%	44.4%	45.4%	44.5%	44.6%
Licence Fee	8.4%	8.7%	8.4%	8.4%	8.8%
EBITDA	30.2%	33.3%	32.2%	33.7%	33.6%
Cash profit from operations before Derivative and Exchange Fluctuations	25.2%	28.6%	27.9%	28.6%	29.6%
Profit / (Loss) before tax	6.5%	9.1%	8.6%	8.8%	10.1%
Net income	3.9%	5.4%	5.5%	5.9%	7.2%

India & South Asia

Amount in Rs mn

Parameters	For the Quarter Ended				
	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
Total Revenues	137,177	134,210	131,628	126,790	126,306
Access and interconnection charges	16,866	15,720	15,371	14,594	13,847
Operating Expenses (Excl Access Charges & License Fee)	62,980	57,462	57,824	53,991	53,493
Licence Fee	13,868	13,829	13,371	12,547	13,025
EBITDA	43,584	47,352	45,225	45,728	46,006
Profit / (Loss) before tax	18,461	18,606	16,955	19,005	20,902
Net income	14,338	13,472	12,703	14,519	15,167

	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
As a % of Total Revenues					
Access and interconnection charges	12.3%	11.7%	11.7%	11.5%	11.0%
Operating Expenses (Excl Access Charges & License Fee)	45.9%	42.8%	43.9%	42.6%	42.4%
Licence Fee	10.1%	10.3%	10.2%	9.9%	10.3%
EBITDA	31.8%	35.3%	34.4%	36.1%	36.4%
Profit / (Loss) before tax	13.5%	13.9%	12.9%	15.0%	16.5%
Net income	10.5%	10.0%	9.7%	11.5%	12.0%

Africa

Amount in US$ mn

Parameters	For the Quarter Ended				
	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
Total Revenues	1,066	1,071	1,057	1,030	979
Access and interconnection charges	206	208	216	206	191
Operating Expenses (Excl Access Charges & License Fee)	541	518	521	511	499
Licence Fee	45	48	41	43	43
EBITDA	275	298	282	270	246
Profit / (Loss) before tax	(108)	(30)	(26)	(87)	(83)
Net income	(124)	(67)	(52)	(95)	(68)

Parameters	For the Quarter Ended				
	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
Exchange Fluctuation Impact					
Reported revenues (US $)	1,066	1,071	1,057	1,030	979
a. QoQ growth (%)	*-0.45%*	*1.30%*	*2.62%*	*5.27%*	*5.94%*
b. Impact of exchange fluctuation (%)[16]	*-1.65%*	*-1.38%*	*-2.29%*	*-1.81%*	*0.55%*
c. QoQ growth in constant currency (%) (a - b)	*1.20%*	*2.68%*	*4.92%*	*7.08%*	*5.39%*
Revenues in constant currency (US $)[17]	1,066	1,054	1,026	978	913

Note 16: Based on QoQ variation and weighted on the revenues of each country for the current quarter
Note 17: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended Jun'12.

	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
As a % of Total Revenues					
Access and interconnection charges	19.3%	19.4%	20.4%	20.0%	19.5%
Operating Expenses (Excl Access Charges & License Fee)	50.7%	48.4%	49.3%	49.6%	51.0%
Licence Fee	4.2%	4.4%	3.9%	4.2%	4.4%
EBITDA	25.8%	27.8%	26.7%	26.2%	25.2%
Profit / (Loss) before tax	-10.1%	-2.8%	-2.5%	-8.5%	-8.5%
Net income	-11.6%	-6.3%	-5.0%	-9.2%	-6.9%

Operational KPIs (in constant currency)

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Average Revenue Per User (ARPU)	US$	6.5	6.7	6.9	6.9	6.8
Total Revenue / Minutes on Network	US¢	5.4	5.5	5.5	5.4	5.6
Voice Average Revenue Per User (ARPU)	US$	5.7	6.0	6.3	6.2	6.1
Voice Realization per minute	US¢	4.7	4.9	5.0	4.9	5.0

A.1.2 Financial Trends of Business Operations

Mobile Services India & South Asia - Comprises of Consolidated Statement of Operations of Mobile Services India & South Asia.

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	106,848	105,096	101,764	97,827	98,404
EBITDA	32,350	35,696	34,431	32,926	33,614
EBITDA / Total revenues	*30.3%*	*34.0%*	*33.8%*	*33.7%*	*34.2%*
EBIT	17,012	21,415	20,176	19,775	20,853
Capex	19,411	4,745	1,878	12,011	13,452
Operating Free Cash Flow	12,939	30,951	32,554	20,914	20,162
Cumulative Investments	711,311	678,860	674,005	665,785	653,410

Note 18: Cumulative investments include investments in 4G earlier reported under Telemedia services. Previous quarters' have been restated accordingly.

Telemedia Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	9,442	9,159	9,128	9,528	9,457
EBITDA	3,809	3,777	3,542	4,213	4,304
EBITDA / Total revenues	*40.3%*	*41.2%*	*38.8%*	*44.2%*	*45.5%*
EBIT	1,333	1,540	1,287	2,126	2,220
Capex	2,081	1,496	1,470	1,348	3,113
Operating Free Cash Flow	1,728	2,281	2,072	2,865	1,191
Cumulative Investments	95,305	93,317	91,792	90,336	88,950

Note 19: Cumulative investments in 4G earlier reported under Telemedia services have now been reported under Mobile services (India & South Asia). Previous quarters' have been restated accordingly.

Digital TV Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	3,658	3,565	3,327	3,135	2,934
EBITDA	(23)	209	90	116	50
EBITDA / Total revenues	*-0.6%*	*5.9%*	*2.7%*	*3.7%*	*1.7%*
EBIT	(2,265)	(1,944)	(1,955)	(1,806)	(1,494)
Capex	3,241	981	1,503	2,610	3,014
Operating Free Cash Flow	(3,264)	(772)	(1,413)	(2,494)	(2,964)
Cumulative Investments	35,402	32,980	32,586	31,522	29,294

Airtel Business

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	11,906	11,209	11,881	11,042	10,410
EBITDA	1,963	1,631	2,008	2,371	2,303
EBITDA / Total revenues	*16.5%*	*14.5%*	*16.9%*	*21.5%*	*22.1%*
EBIT	591	181	713	1,051	683
Capex	166	338	458	116	295
Operating Free Cash Flow	1,797	1,293	1,550	2,255	2,008
Cumulative Investments	42,927	42,493	44,404	43,676	41,405

Passive Infrastructure Services - Bharti Infratel Ltd and proportionate consolidation of 42% of Indus.

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	24,048	24,183	24,393	23,766	22,767
EBITDA	8,788	9,346	9,110	8,902	8,585
EBITDA / Total revenues	*36.5%*	*38.6%*	*37.3%*	*37.5%*	*37.7%*
EBIT	3,420	3,930	3,758	3,520	3,433
Capex	4,283	3,427	2,440	3,743	4,115
Operating Free Cash Flow	4,504	5,919	6,670	5,159	4,470
Cumulative Investments	238,467	234,730	231,533	229,486	226,043

Others

Amount in Rs mn

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	817	738	666	859	791
EBITDA	(2,495)	(2,505)	(3,139)	(1,969)	(2,067)
EBIT	(2,624)	(2,631)	(3,243)	(2,118)	(2,214)
Capex	126	13	66	787	726
Operating Free Cash Flow	(2,621)	(2,519)	(3,205)	(2,756)	(2,793)
Cumulative Investments	7,365	7,013	9,690	9,322	8,523

Africa - Comprises of 17 country operations in Africa.

Amount in US$ mn except ratios

Particulars	Quarter Ended				
	Jun 2012	Mar 2012	Dec 2011	Sep 2011	Jun 2011
Total revenues	1,066	1,071	1,057	1,030	979
EBITDA	275	298	282	270	246
EBITDA / Total revenues	*25.8%*	*27.8%*	*26.7%*	*26.2%*	*25.2%*
EBIT	62	102	58	81	50
Capex	119	254	265	575	420
Operating Free Cash Flow	156	44	17	(305)	(173)
Cumulative Investments	13,041	13,432	13,049	12,889	13,017

A.1.3 Based on Statement of Financial Position

Consolidated

Amount in Rs mn

Parameters	As at				
	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
Equity attributable to equity holders of parent	495,150	506,113	491,733	484,486	498,458
Net Debt	682,983	650,394	677,628	644,298	600,186
Net Debt (US $)	12,129	12,714	12,722	13,169	13,421
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,178,133	1,156,507	1,169,361	1,128,784	1,098,644

Parameters	Jun-12	Mar-12	Dec-11	Sep-11	Jun-11
Return on Equity attributable to equity holders of parent (LTM)	7.7%	8.6%	9.5%	10.3%	11.8%
Return on Capital Employed (LTM)	6.6%	7.2%	7.3%	7.9%	8.2%
Net Debt to EBITDA (LTM) - US $	2.54	2.56	2.58	2.70	2.85
Net Debt to EBITDA (Annualised) - US $	2.80	2.56	2.71	2.59	2.63
Assets Turnover ratio (LTM)	68.6%	67.3%	64.8%	61.8%	59.2%
Interest Coverage ratio (times)	6.32	7.55	8.08	8.74	9.62
Net debt to Equity attributable to equity holders of parent (Times)	1.38	1.29	1.38	1.33	1.20
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	2.01	2.65	2.66	2.71	3.20
Net profit/(loss) per diluted share (in Rs)	2.01	2.65	2.66	2.71	3.20
Book Value Per Equity Share (in Rs)	130.4	133.3	129.5	127.6	131.3
Market Capitalization (Rs. bn)	1,158	1,279	1,302	1,436	1,501
Enterprise Value (Rs. bn)	1,841	1,929	1,980	2,080	2,101

A.1.4 Operational Performance – India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Total Customers Base	**000's**	**197,974**	**191,777**	**186,039**	**182,725**	**178,771**
Mobile Services						
Customer Base	000's	187,302	181,279	175,653	172,783	169,187
VLR	%	90.8%	91.7%	90.0%	88.6%	88.8%
Net Additions	000's	6,023	5,626	2,870	3,595	6,984
Pre-Paid (as a % of total Customer Base)	%	96.2%	96.3%	96.3%	96.3%	96.3%
Monthly Churn	%	8.8%	8.8%	7.9%	7.2%	6.4%
Average Revenue Per User (ARPU)	Rs	185	189	187	183	190
Average Revenue Per User (ARPU)	US$	3.4	3.8	3.7	4.0	4.3
Total Revenue / Minutes on Network	paisa	42.7	43.8	44.6	43.2	42.8
Revenue per site per month	Rs	275,647	280,332	274,637	266,165	270,590
Voice						
Minutes on the network	Mn	239,338	230,365	219,152	217,408	221,560
Voice Average Revenue Per User (ARPU)	Rs	154	158	157	153	161
Voice Usage per customer	min	433	431	419	423	445
Voice Realization per minute	paisa	35.7	36.7	37.5	36.2	36.1
Non Voice Revenue						
% of Mobile revenues	%	16.3%	16.2%	15.8%	16.1%	15.6%
Of Which						
Messaging & VAS as % of Mobile revenues	%	10.8%	11.0%	11.3%	12.2%	12.1%
Data as % of Mobile revenues	%	4.3%	4.1%	3.5%	3.1%	3.2%
Others as % of Mobile revenues	%	1.2%	1.1%	1.0%	0.8%	0.3%
Data						
Data Customer Base	000's	38,660	35,780	NA	NA	NA
Of which no. of 3G customers	*000's*	*3,713*	*2,711*	*NA*	*NA*	*NA*
As % of Customer Base	*%*	*20.6%*	*19.7%*	*NA*	*NA*	*NA*
Total MBs on the network	Mn MBs	12,566	10,006	NA	NA	NA
Data Average Revenue Per User (ARPU)	Rs	40	44	NA	NA	NA
Data Usage per customer	MBs	112	107	NA	NA	NA
Data Realization per MB	paisa	35.3	40.9	NA	NA	NA
Telemedia Services						
Customers	000's	3,272	3,270	3,317	3,328	3,322
Of which no. of Broadband (DSL) customers	*000's*	*1,371*	*1,369*	*1,357*	*1,398*	*1,433*
As % of Customer Base	*%*	41.9%	41.9%	40.9%	42.0%	43.1%
Net Additions	000's	2	(47)	(11)	7	26
Average Revenue Per User (ARPU)	Rs	962	933	916	955	952
Average Revenue Per User (ARPU)	US$	17.8	18.6	18.1	20.9	21.3
Non Voice Revenue as a % of Telemedia Revenues	%	54.3%	55.8%	54.8%	52.1%	52.0%
Digital TV						
Digital TV Customers	000's	7,400	7,228	7,069	6,614	6,262
Net additions	000's	172	159	455	352	600
Average Revenue Per User (ARPU)	Rs	166	166	160	161	163
Average Revenue Per User (ARPU)	US$	3.1	3.3	3.2	3.5	3.7
Monthly Churn	%	1.7%	1.2%	1.2%	1.2%	0.7%

A.1.5 Traffic Trends – India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Mobile Services	Mn Min	239,338	230,365	219,152	217,408	221,560
Telemedia Services	Mn Min	4,162	4,145	4,186	4,598	4,570
National Long Distance Services	Mn Min	22,241	21,588	20,551	20,305	19,878
International Long Distance Services	Mn Min	3,362	3,518	3,529	3,519	3,119
Total Minutes on Network (Gross)	**Mn Min**	**269,103**	**259,615**	**247,418**	**245,831**	**249,127**
Eliminations	Mn Min	(22,525)	(21,926)	(20,904)	(20,660)	(20,272)
Total Minutes on Network (Net)	**Mn Min**	**246,578**	**237,688**	**226,514**	**225,171**	**228,854**

A.1.6 Coverage and Network Trends - India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Mobile Servies						
Census Towns	Nos	5,121	5,118	5,116	5,115	5,114
Non-Census Towns & Villages	Nos	455,575	454,302	453,294	453,148	452,719
Population Coverage	%	86.5%	86.4%	86.4%	86.3%	86.2%
Optic Fibre Network	R Kms	159,762	157,886	154,744	151,719	148,792
Sites on Network	Nos	126,010	120,905	119,044	118,011	117,144
Of which no. of 3G sites	*Nos*	*18,012*	*16,162*	*14,751*	*12,979*	*10,669*
Telemedia Services						
Cities covered	Nos	87	87	87	87	87
Airtel Business						
Submarine cable systems	Nos	7	7	7	7	7
Digital TV Services						
Districts Covered	Nos	616	609	587	582	550
Coverage	%	96%	95%	92%	91%	86%

A.1.7 Passive Infrastructure Services

A.1.7.1 Bharti Infratel Consol

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Total Towers[20]	Nos	79,574	79,154	79,025	78,835	78,689
Total Tenancies[20]	Nos	151,932	150,315	148,777	146,536	144,706
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	32,360	34,104	34,290	33,098	33,533
Tenancy Ratio	Times	1.91	1.89	1.87	1.85	1.83

Note 20: Total Towers and Tenancies include proportionate consolidation of 42% of Indus Towers.

A.1.7.2 Bharti Infratel Standalone

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Total Towers[21]	Nos	33,660	33,326	33,203	33,056	32,942
Total Tenancies	Nos	61,024	60,422	60,512	59,444	58,624
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	36,532	37,277	37,623	37,117	36,203
Tenancy Ratio	Times	1.82	1.82	1.81	1.79	1.77

Note 21: Total Towers are excluding 35,252 towers in 11 circles for which the right of use has been assigned to Indus with effect from 1st Jan 2009.

A.1.7.3 Indus Towers

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Total Towers	Nos	109,318	109,114	109,101	108,998	108,922
Total Tenancies	Nos	216,447	214,032	210,154	207,361	204,958
Key Indicators						
Sharing Revenue per Sharing Operator per month	Rs	30,139	32,563	32,272	31,112	31,963
Tenancy Ratio	Times	1.97	1.94	1.91	1.89	1.87

Note 22: Indus KPIs are on 100% basis.

A.1.8 Human Resource Analysis - India

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Consolidated						
Total Employees[23]	Nos	15,256	14,935	15,141	15,611	16,545
Number of Customers per employee	Nos	12,977	12,841	12,287	11,705	10,805
Personnel Cost per employee per month	Rs	118,119	110,252	104,443	116,451	111,741
Gross Revenue per employee per month	Rs	2,935,716	2,937,785	2,843,124	2,661,360	2,504,062

Note 23: Total Employee count of India includes proportionate consolidation of 42% of Indus Towers employees.

A.1.9 Operational Performance – Africa

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Customer Base	000's	55,855	53,140	50,949	48,437	46,306
Net Additions	000's	2,715	2,191	2,512	2,131	2,100
Pre-Paid (as a % of total Customer Base)	%	99.3%	99.3%	99.3%	99.3%	99.3%
Monthly Churn	%	5.1%	5.3%	5.4%	6.1%	6.3%
Average Revenue Per User (ARPU)	US$	6.5	6.8	7.1	7.3	7.3
Total Revenue / Minutes on Network	US¢	5.4	5.6	5.7	5.7	6.0
Revenue per site per month	US$	23,134	24,522	25,225	25,836	26,196
Voice						
Minutes on the network	Mn	19,651	19,131	18,496	17,950	16,337
Voice Average Revenue Per User (ARPU)	US$	5.7	6.1	6.5	6.5	6.5
Voice Usage per customer	min	120	122	125	128	121
Voice Realization per minute	US¢	4.7	5.0	5.2	5.1	5.4
Non Voice Revenue						
% of Mobile revenues	%	12.9%	10.6%	9.4%	10.7%	10.6%
Of Which						
Messaging & VAS as % of Mobile revenues	%	7.0%	5.6%	5.3%	6.0%	5.4%
Data as % of Mobile revenues	%	3.4%	3.2%	2.5%	2.7%	3.2%
Others as % of Mobile revenues	%	2.5%	1.8%	1.6%	2.0%	2.0%

A.1.10 Coverage and Network Trends - Africa

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Sites on Network	Nos	15,439	14,831	14,112	13,628	12,703
Of which no. of 3G sites	*Nos*	*4,787*	*3,205*	*NA*	*NA*	*NA*

A.1.11 Human Resource Analysis - Africa

Parameters	Unit	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011
Total Employees	**Nos**	**4,907**	**4,792**	**4,773**	**5,115**	**5,474**
Number of Customers per employee	Nos	11,383	11,089	10,674	9,470	8,459
Personnel Cost per employee per month	US$	5,436	6,006	5,783	5,154	5,657
Gross Revenue per employee per month	US$	72,831	75,800	73,835	67,138	59,594

A.2 Key Accounting Policies as per IFRS

1. Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income, expenses and cash flows of jointly controlled entities are combined with the equivalent items in the results on a line-by-line basis in the consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Adjustments are made where ever necessary, to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intra-group balances, income and expenses and unrealized gains and losses on transactions between the Group and its jointly controlled entities.

2. Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building	20
Network Equipment	3-20
Computer equipment	3
Office, furniture and equipment	2 - 5
Vehicles	3 - 5
Leasehold improvements	Remaining period of the lease or 10/20 years, as applicable, whichever is less
Assets individually costing Rs. 5 thousand or less	1
Customer premises equipment	5 – 6

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses arising from retirement or disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income on the date of retirement and disposal.

Costs of additions and substantial improvements to property and equipment are capitalized. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

3. Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition. Goodwill on acquisition of subsidiaries is disclosed separately. Goodwill arising on accounting for jointly controlled entities or entities in which the Group exercises significant influence is included in investments in the related associates/jointly controlled entities.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each date of statement of financial position. Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Negative goodwill arising on an acquisition is recognized directly in the statement of comprehensive income.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of comprehensive income on disposal.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash- generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

4. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Gains or losses resulting from foreign currency transactions are included in the consolidated statement of comprehensive income.

The assets and liabilities of foreign operations are translated into functional currency of parent (i.e. INR) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates prevailing during the period. The exchange differences arising on the translation are recognized in 'foreign currency translation reserve (FCTR)'. Exchange differences arising on a monetary item that forms part of Group entity's net investment in a foreign operation is recognized in profit or loss in the separate financial statements of the Group entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences are recognized in other comprehensive income. On disposal of a foreign operation (reduction in percentage ownership interest), the component of FCTR relating to that

particular foreign operation is recognized in the statement of comprehensive income.

5. Capital leases

Lessee accounting

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

Lessor accounting

Assets leased to others under capital leases are recognized as receivables at an amount equal to the net investment in the leased assets. The finance income is recognized based on periodic rate of return on the net investment of the lessor outstanding in respect of the capital lease.

6. Indefeasible right to use (IRU)

The Group enters into agreements for leasing assets under 'Indefeasible right to use' with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognized as operating lease. Direct expenditures incurred in connection with agreements are capitalized and expensed over the term of the agreement.

The contracted price is received in advance and is recognized as revenue during the period of the agreement. Unearned IRU revenue net of the amount recognizable within one year is disclosed as unearned income in non-current liabilities and the amount recognizable within one year as unearned income in current liabilities.

Exchange of network capabilities with other telecommunication service providers are recorded as non-monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

7. Impairment of long – lived assets and intangible assets

The Group reviews its long-lived assets, including identifiable intangibles with finite lives, for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic climate. For assets that the Group intends to hold for use, if the total of the expected future undiscounted cash flows produced by the asset or asset Group is less than the carrying amount of the assets, a loss is recognized for the difference between the fair value and carrying value of the assets. For assets the Group intends to dispose of by sale, a loss is recognized for the amount by which the estimated fair value, less cost to sell, is less than the carrying value of the assets. Fair value is determined based on quoted market prices, if available, or other valuation techniques including discounted future net cash flows.

8. Revenue recognition

(i) Service revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and VSAT/ internet usage charges, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls.

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid cards are recognized based on actual usage. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortized over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Subscriber acquisition costs are expensed as incurred. On introduction of new prepaid products, processing fees on recharge coupons is being recognized over the estimated customer relationship period or coupon validity period, whichever is lower.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and satellite services. Registration fee and installation charges are deferred and amortized over their expected customer relationship period of 12 months. Service revenue is recognized from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and satellite services. Revenue from prepaid dialup packs is recognized on an actual usage basis and is net of sales returns and discounts.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognized on completion of services while revenue from provision of bandwidth services is recognized over the period of arrangement.

Unbilled receivables represent revenues recognized from the bill cycle date to the end of each month. These are billed in subsequent periods based on the terms of the billing plans.

Unearned income includes amounts received in advance on pre-paid cards and advance monthly rentals on post-paid. The related services are expected to be performed within the next operating cycle.

(ii) Equipment sales

Equipment sales consist primarily of revenues from sale of VSAT and internet equipment (hardware) and related accessories to subscribers. Equipment sales are treated as activation revenue and are deferred and amortized over the customer relationship period.

(iii) Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and satellite services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of the arrangement in accordance "Revenue Arrangements with Multiple Deliverables" applying the hierarchy in IAS 8.12.
Revenue is determined for each of the units of accounting on the basis of their fair values Arrangements involving the delivery of bundled products or services shall be separated into individual elements, each with own separate revenue contribution. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., a ratio of the fair value of each element to the aggregated fair value of the bundled deliverables is generated). Where the Group has determined that the fair value of individual element is not ascertainable, equipment sales for these arrangements are deferred and amortized over the term of the arrangement.

9. License fees

Acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognized at fair value at the acquisition date. License and spectrum entry fees are measured at cost less accumulated amortization. Amortization is charged to the statement of comprehensive income on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective jurisdiction and is disclosed as components of depreciation and amortization. The amortization period is determined primarily by reference to the unexpired license period.

Group's shares of licenses acquired under business combination are accounted for at their respective fair values as at the date of acquisition. The amounts are amortized on a straight-line basis over the remaining period of the license from the date of acquisition of respective circles.

The revenue-share fee on license and spectrum is computed as per the licensing agreement and is expensed as incurred.

10. Other intangible assets

Other intangible assets comprising enterprise resource planning software, bandwidth capacities, brands, customer relationships, distribution networks, licenses and non-compete clauses, are capitalized at the Group's share of respective fair values on the date of an acquisition. Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. The intangibles are amortized as follows:

- Software is amortized over the period of its license, not exceeding three years. Software up to Rs 500 thousand is amortized over a period of 1 year.
- Bandwidth capacities are amortized over the period of the agreement.
- Brand: Over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.
- Distribution network : Over estimated useful life
- Customer base: The estimated life of such relationships.

11. Income-taxes

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, and is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the average interest rate. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

13. Derivative financial instruments

The Group enters into derivative instruments, including interest rate swaps and foreign currency forward contracts, to manage interest rate movements of its debt obligations and foreign currency exposures related to the import of

equipment used in operations and its foreign currency denominated debt instruments.

All derivative instruments are recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or in other comprehensive income, depending on whether a derivative is designated as part of a hedging relationship and, if it is, depending on the type of hedging relationship.

14. Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

15. Allowance for uncollectible accounts receivable

The allowance for uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Group provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

16. Issuance of Stock by Subsidiaries

At the time a subsidiary sells its stock to unrelated parties at a price less than or in excess of its book value, the Company's investment in that subsidiary's net assets changes. The Company's policy is to record such changes in its consolidated statement of changes in equity.

GLOSSARY

Technical and Industry Terms

Company Related	
3G	Third Generation of Mobile Telephony.
3G Customers	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 3G network in the last 30 days
3G Data Customers	A customer who used at least one data session of more than zero Kbs on 3G network in the last 30 days
Average Revenue per User (ARPU)	Average revenue per customer per month is computed by: dividing the total revenues (including sale of goods) during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non-current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Sharing Operators	Average Sharing Operators are derived by computing the average of the monthly average of sharing operators for the relevant period
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Towers	Average towers are derived by computing the average of the monthly average towers for the relevant period
Bn	Billion
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the quarter.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity holders of parent and net debt.
Cumulative Investments (earlier known as Investment in Projects)	Cumulative Investments comprises of gross value of property, plant & equipment (including CWIP & capital advances) and intangibles including investment in associates.
Cash Profit From Operations before Derivative & Exchange Fluctuation	It is not an IFRS measure and is defined as operating income adjusted for depreciation and amortization, pre-operating costs, interest expense and interest income before adjusting for derivative & exchange (gain)/ loss.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Customer Base	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G / 4G network in the last 30 days.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
Data as % of Mobile Revenue	It is computed by dividing the 'data' revenues by the total revenues of mobile services for the relevant period. Data revenue includes revenue from use of data session on GPRS / 3G / 4G including blackberry.
Data ARPU	Average revenue per data customer per month is computed by: dividing the total data revenues during the relevant period by the average data customers; and dividing the result by the number of months in the relevant period.

Data Customer Base	A customer who used at least one data session of more than 0 Kbs on GPRS / 3G / 4G network in the last 30 days.
Data Usage per Customer	It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period.
Data Realization per MB	It is computed by dividing the Data revenues by total MBs consumed on the network.
DTH / Digital TV Services	Direct to Home broadcast service
Earnings Per Basic Share.	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.
Earnings Per Diluted Share	Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above).
EBITDA	Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization and pre-operating costs.
EBITDA Margin	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	Earnings / (Loss) before interest, taxation for the relevant period.
Enterprise Valuation (EV)	Calculated as sum of Market Capitalization plus Net Debt as at the end of the relevant period.
EV / EBITDA (times)	Computed by dividing Enterprise Valuation as at the end of the relevant period (EV) by EBITDA for the relevant period (annualized).
Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
ILD	International Long Distance Services.
Intangibles	Comprises of goodwill, software, bandwidth, one-time entry fee paid towards acquisition of licenses, distribution network and customer relationships.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.
LTM	Last twelve months.
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period.
Mn	Million
Messaging & VAS as % of Mobile Revenue	It is computed by dividing 'messaging and VAS' revenue by the total revenues of mobile services for the relevant period. Messaging revenue includes revenue from exchange of text or multimedia messages (MMS) as well as termination revenues from other operators. VAS revenue includes revenue from hello tunes, ring tones, music downloads etc.

MNP	Mobile Network Portability
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	Multi Protocol Label Switching
Network Site	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not a IFRS measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, restricted cash, restricted cash non-current and short-term investments as at the end of the relevant period.
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to EBITDA (Annualized)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized).
Net Debt to Funded Equity Ratio	It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period.
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as a % of consolidated revenue	It is computed by dividing the total non-voice revenue of the company (consolidated) by the total revenues for the relevant period. Non-voice revenues include Messaging & VAS and Data revenues for Mobile, VAS and Internet Revenues for Telemedia Services, Bandwidth and Internet Revenues for Airtel Business Services, Media & Broadcasting revenues for DTH Services, site sharing revenues, sale of goods etc.
Non Voice Revenue as a % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue, which includes revenue from services other than voice i.e., Messaging & VAS (including SMS, GPRS, MMS, Ring Back Tone), Data, others etc.
Non Voice Revenue as a % of Telemedia Revenue	It is computed by dividing the total non voice revenue of Telemedia services by the total revenues of Telemedia services for the relevant period. Non voice revenue for Telemedia services includes revenues from services such as DSL, Leaseline, MPLS, IPTV etc.
Others as a % of Mobile Revenues	It is computed by dividing 'other' revenue by the total revenues of mobile services for the relevant period. Others include revenue from infrastructure sharing & sale of goods.
Operating Free Cash flow	It is computed by subtracting capex from EBITDA.
Profit / (Loss) after current tax expense	It is not a IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2010, 2011 and 2012. ROCE is computed by dividing the sum of net profit and finance cost (net) for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Return On Equity attributable to equity holders of parent	For the full year ended March 31, 2010, 2011 and 2012, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.

SA	South Asia
Sharing revenue per Sharing Operator per month	It is computed by dividing gross revenue less energy & other pass through, from Passive Infrastructure services by average sharing operators.
Tenancy Ratio	It is computed by dividing average sharing operators by average towers.
TD-LTE	Time Division – Long Term Evolution.
Total MBs on Network	Includes total MBs consumed on the network (uploaded & downloaded) on our network during the relevant period.
Total Tenancies	It is the sum of all operators sharing total towers.
Total Towers	It is the sum of ground based towers, roof top towers and others.
TSP	Telecom Service Provider
Total Operating Expenses	It is defined as sum of equipment costs, employee costs, network operations costs and selling, general and administrative cost for the relevant period.
VAS	Value Added Service
Voice Minutes on Network	Includes usage on our network (incoming, outgoing & in-roaming minutes) during the relevant period.
Voice ARPU	Voice Average revenue per customer per month is computed by: dividing the voice revenues during the relevant period by the average voice customers; and dividing the result by the number of months in the relevant period. Voice Revenues include airtime revenue from usage, processing fees, activation, roaming and termination charges from other operators.
Voice Minutes of Usage per Customer per Month	It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Voice Realization per Minute	It is computed by dividing the voice revenues by voice minutes.
Regulatory	
BWA	Broadband Wireless Access
3G	Third - Generation Technology
4G	Fourth - Generation Technology
CCK	Communications Commission of Kenya
DoT	Department of Telecommunications
IP	Internet Protocol
QoS	Quality of Service
TRAI	Telecom Regulatory Authority of India
UAS	Unified Access Service
UASL	Unified Access Service License
VSAT	Very Small Aperture Terminals
Others (Industry)	
BSE	The Stock Exchange, Mumbai
CMAI	Communication Multimedia & Infrastructure
RBI	Reserve Bank of India

GSM	Global System for Mobile Communications.
CDMA	Code Division Multiple Access
DSL	Digital Subscriber Line
ICT	Information and Communication Technology
GAAP	Generally Accepted Accounting Principles
MMS	Multimedia Messaging Service
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
SMS	Short Messaging Service.

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