Bharti Airtel Limited

Airtel strengthens its leadership through robust revenue growth

Bharti Airtel announces consolidated IFRS results for the first quarter ended June 30, 2010

Highlights for the First Quarter ended June 30, 2010

- Overall customer base stands at 183.4 million**,** across 18 countries
- Total revenues at ₹ 12,231 crore, up by 17.4% Y-o-Y (includes 23 days of Africa operations)
- India & South Asia Mobile business revenues up by ₹ 506 crore over Q4 FY10
- Total minutes on network for the quarter at 206.2 billion; up by 24.2 billion over Q4 FY10 (approximately 2.3 billion minutes a day)
- Consolidated underlying EBITDA margin[1] of 36.9%

[1] *Before acquisition related costs of ₹ 98.2 crore in Q1 FY11*

New Delhi, India, August 11, 2010: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated IFRS results for the first quarter ended June 30, 2010 which includes the results of the newly acquired African operations for 23 days of the quarter, effective June 8, 2010. The Company has adopted IFRS (International Financial Reporting Standards) for its consolidated results effective April 1, 2010; consequently, the results of Indus Towers Ltd have been proportionately consolidated. Previous period figures have been re-stated to facilitate comparison. **Bharti Airtel is one of the first companies in India to publish consolidated IFRS results as permitted by Clause 41(I)(g) of the Listing Agreement vide SEBI Circular dated April 5, 2010.**

The consolidated total revenues (including Airtel Africa for 23 days, w.e.f June 8, 2010) for the quarter ended June 30, 2010 of ₹ 12,231 crore grew by 17.4% Y-o-Y. India & South Asia total revenues stood at ₹ 11,273 crore, a growth of 8.2% Y-o-Y. On a sequential basis, the Mobile business in India & South Asia grew by ₹ 506 crore over Q4 FY10. Mobile minutes in India grew by 17.6 billion (over Q4 FY10) to 190.4 billion.

Consolidated underlying EBITDA of ₹ 4,512 crore grew by 5.0% Y-o-Y. Underlying EBITDA margins continued to be robust at 36.9% after absorbing a conservative provision of ₹ 104 crore for the proposed spectrum cost hike in India; though this has been stayed by the TDSAT.

The quarter witnessed the adverse impact of the strengthening of the US Dollar (USD) against the Indian Rupee and several African currencies. As a result, derivatives and exchange fluctuations led to a loss of ₹ 216 crore in Q1 FY11 (previous year: gain of ₹ 279 crore). Consequently, net income dropped by 32.0% Y-o-Y to ₹ 1,682 crore.

During the quarter, the Company acquired the African operations of Zain for an enterprise value of USD 10.7 billion. The 3G licences in 13 circles and BWA licences in 4 circles in India were acquired at a total cost of ₹ 15,610 crore (USD 3.3 billion). Capex spend during the quarter was restricted to ₹ 1,836 crore (USD 394 million) due to delays in security clearances for equipment imports. The Consolidated Free Cash Flow in Q1 FY11 was an all-time high of ₹ 3,663 crore (USD 786 million). The Net Debt - Equity ratio stood at 1.38, and the Net Debt – EBITDA ratio at 2.87.

In a statement, **Mr. Sunil Bharti Mittal, Chairman & Managing Director, Bharti Airtel Limited,** said "The first quarter witnessed the successful completion of the acquisition of Zain's mobile operations in 15 African countries. We also won valuable 3G and BWA licenses in India, which will transform Airtel into a lifestyle enabler. Our business in India and South Asia got off to a solid start with robust revenue growth and healthy margins. This reaffirms our conviction that leaders emerge stronger in a hyper competitive market."

Summary of the Consolidated Statement of Income – represents consolidated Statement of Income as per International Financial Reporting Standards (IFRS)

(Amount in ₹ Crore, except ratios)

Particulars	Quarter Ended		Y-o-Y Growth
	June 2010	June 2009	
Total revenues	12,231	10,414	17%
EBITDA	4,414	4,297	3%
Cash profit from operations	3,994	4,426	-10%
Income before income taxes	2,072	2,948	-30%
Net income	1,682	2,475	-32%

Operating Highlights

Customers on our Network

(Figures in nos, except ratios)

Parameters	Unit	June 30, 2010	March 31, 2010	Q-o-Q Growth	June 30, 2009	Y-o-Y Growth
Mobile Services	000's	176,975	131,349	35%	103,351	71%
India & South Asia	000's	140,613	131,349	7%	103,351	36%
Africa	000's	36,362				
Telemedia Services	000's	3,153	3,067	3%	2,828	11%
Digital TV Services	000's	3,244	2,597	25%	863	276%
Total	**000's**	**183,372**	**137,013**	**34%**	**107,042**	**71%**

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. The company offers mobile voice & data services, fixed line, high speed broadband, IPTV, DTH, turnkey telecom solutions for enterprises and national & international long distance services to carriers. Bharti Airtel has been ranked among the six best performing technology companies in the world by BusinessWeek. Bharti Airtel had over 183 million customers across its operations at the end of June 2010. To know more visit www.airtel.in

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