BHARTI AIRTEL LIMITED

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

Financial results for the first quarter and three months ended June 30, 2010

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

(In Rs. Million except per share data)

S. No.	Particulars	Quarter Ended June 30,		Year ended March 31, 2010
		2010	2009	
		Audited	Audited	Audited
1	**Net Sales/ Income from Operations**	**122,308**	**104,143**	**418,472**
2	**Total Expenditure**	**96,886**	**76,055**	**312,876**
	(a) Employee Cost	5,601	5,126	19,028
	(b) Depreciation & Amortisation	19,467	14,754	62,832
	(c) License Fees & Spectrum Charges	11,742	10,126	40,875
	(d) Access & Interconnection Charges	14,227	11,372	44,806
	(e) Network Operating Expenses	27,096	21,136	89,316
	(f) Sales & Marketing	9,708	6,514	27,682
	(g) Administration & others	8,812	6,895	28,156
	(h) Other Expenditure	233	132	181
3	**Profit from Operations before Other Income, Interest, Share of Loss / (Gain) in Associates, Exceptional Items and Tax (1-2)**	**25,422**	**28,088**	**105,596**
4	Other Income	548	111	697
5	**Profit before Interest, Share of Loss / (Gain) in Associates, Exceptional Items and Tax (3+4)**	**25,970**	**28,199**	**106,293**
6	Interest Expense / (Income) Net	4,198	(1,284)	178
7	Share of Loss / (Gain) in Associates	71	-	48
8	**Profit after Interest, Share of Loss / (Gain) in Associates but before Exceptional Items and Tax**	**21,701**	**29,483**	**106,067**
9	Exceptional Items	982	-	976
10	**Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax**	**20,719**	**29,483**	**105,091**
11	**Tax Expense**	**3,750**	**4,305**	**13,453**
	-Current Tax	5,409	6,821	22,317
	-Deferred Tax (Credit) / Charge	(1,659)	(2,516)	(8,864)
12	**Net profit (+)/ loss(-) from Ordinary Activities after tax**	**16,969**	**25,178**	**91,638**
13	Extraordinary items (net of tax expenses)	-	-	-
14	**Profit (+)/ Loss (-) for the period**	**16,969**	**25,178**	**91,638**
15	Minority Interest	153	433	1,870
16	**Net Profit/Loss for the period**	**16,816**	**24,745**	**89,768**
17	Paid-up equity share capital (Face value Rs.5/- each)	18,988	18,984	18,988
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	419,438	314,743	402,188
19	**Earnings per share (in Rs.)- Post Stock split**			
	a. Basic and diluted EPS before Extraordinary items			
	i) Basic	4.432	6.525	23.666
	ii) Diluted	4.431	6.520	23.660
	a. Basic and diluted EPS after Extraordinary items			
	i) Basic	4.432	6.525	23.666
	ii) Diluted	4.431	6.520	23.660
20	**Public Shareholding**			
	a. Number of shares	1,220,148,754	1,237,467,758	1,221,736,754
	b. Percentage of shareholding	32.13%	32.59%	32.17%
21	**Promoters and Promoter Group Shareholding**			
	a) Pledged/ Encumbered			
	- Number of Shares	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil
	b) Non-encumbered			
	- Number of Shares	2,577,381,342	2,559,278,802	2,575,793,342
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	67.87%	67.41%	67.83%

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

(In Rs Million)

Particulars	Quarter Ended June 30,		Year ended March 31, 2010
	2010	2009	
	Audited	Audited	Audited
1. Segment Revenue			
Net sale/income from each segment			
a) Mobile Services India and South Asia	88,236	84,301	331,275
b) Mobile Services Africa	9,582	-	-
c) Telemedia Services	8,960	8,550	34,154
d) Enterprise Services	10,187	11,627	44,798
e) Passive Infrastructure Services	20,412	15,937	70,852
f) Others	1,949	1,026	5,825
Total	**139,326**	**121,441**	**486,904**
Less: Inter Segment Eliminations	17,018	17,298	68,432
Net sales/Income	**122,308**	**104,143**	**418,472**
2. Segment Results			
Profit/(Loss) before tax and interest from each segment			
a) Mobile Services India and South Asia	22,269	25,780	94,403
b) Mobile Services Africa	636	-	-
c) Telemedia Services	1,854	1,796	7,543
d) Enterprise Services	1,452	2,198	9,336
e) Passive Infrastructure Services	2,572	1,328	7,362
f) Others	(3,853)	(2,791)	(13,195)
Total	**24,930**	**28,311**	**105,449**
Less: Inter Segment Eliminations	13	112	180
Total profit/(loss) before tax and interest	**24,917**	**28,199**	**105,269**
Less :			
Interest	4,198	(1,284)	178
Total profit before tax	**20,719**	**29,483**	**105,091**
3. Capital Employed			
(Segment assets - Segment liabilities)			
a) Mobile Services India and South Asia	381,240	265,500	359,743
b) Mobile Services Africa	498,825	-	-
c) Telemedia Services	21,017	13,175	19,168
d) Enterprise Services	35,002	39,335	34,051
e) Passive Infrastructure Services	160,875	145,447	160,219
f) Others	(5,155)	9,372	(36,729)
g) Unallocated (net of eliminations)*	(623,918)	(123,594)	(89,227)
Total	**467,886**	**349,235**	**447,225**

* Comprises of borrowings (including borrowing for Africa acquisition of USD 8.14 bn), provision for taxes, deferred tax asset/ liabilities and derivative financial instruments.

Notes to accounts for the first quarter ended June 30, 2010

1. The above financial results for the first quarter ended June 30, 2010 have been reviewed by the Audit Committee in its meeting held on August 10, 2010 and approved by the Board of Directors in its meeting held on August 11, 2010.

2. In terms of the recent amendment in the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards (IFRS) in preparation of consolidated financial statements w.e.f April 1, 2010.

   Under clause 41 of the listing agreement, the Company has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company for the quarter ended June 30, 2010 are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).

3. Effective April 1, 2010, the Company has merged its captive long distance networks with mobile segment (erstwhile reported under Enterprise Services segment) since it primarily provides connectivity to the Mobile Services business. Accordingly, previous period segment figures have been regrouped / rearranged.

4. During the quarter, the following wholly owned subsidiaries of the Company were incorporated:

   - Airtel M Commerce Services Limited, India on April 1, 2010
   - Bharti Airtel (Japan) Kabushiki Kaisha, Japan on April 5, 2010
   - Bharti Airtel International (Mauritius) Ltd, Mauritius, on April 6, 2010
   - Bharti Airtel (France) SAS, France on June 9, 2010

5. During the quarter the Company has made investments in the following wholly owned subsidiaries:

- Rs 20 million in Airtel M Commerce Services Limited, India
- USD 35.3 million in Bharti Airtel International (Mauritius) Ltd, Mauritius
- USD 206,000 in Bharti International (Singapore) Pte Ltd, Singapore to increase its direct equity stake to 51.10%
- Euro 18,535 in Bharti Airtel International (Netherlands) B.V., Netherlands to increase its direct equity stake to 51%.

6. The Board of Directors in its meeting held on August 10, 2010 has approved acquisition of 100% equity stake in Telecom Seychelles Limited, the leading telecom operator of Seychelles for an enterprise value of USD 62 million.

7. Pursuant to a definitive agreement dated March 30, 2010, Bharti Airtel International (Netherlands) B.V., a wholly owned subsidiary of the Company has acquired 100% equity stake in Zain Africa B.V. (name changed to Bharti Airtel Africa B.V.) for a total consideration of USD 9 billion. Accordingly, Bharti Airtel Africa B.V. has become a wholly owned subsidiary of the Company with effect from June 8, 2010.

   Basis the preliminary values assigned to the identifiable assets and liabilities, provisional goodwill of Rs 344,693 million has been recognized. In view of the considerable time and effort required to gather information on fair values in operations spread over 15 countries, final values will be determined within the first anniversary of the acquisition, being the measurement period permitted under IFRS.

8. Effective July 6, 2010, Bharti Airtel (Singapore) Private Ltd. (transferor company) has amalgamated with Bharti International (Singapore) Pte Ltd. (transferee company) under the Short Form Amalgamation provisions of Singapore Companies Act. Upon amalgamation, the entire share capital of the amalgamating entity is deemed cancelled and all the assets and liabilities stand transferred to the amalgamated company as on the date of amalgamation.

9. During the quarter, the Company has won the bid for spectrum for Third Generation of Wireless Technologies (3G) and Broadband & Wireless Access (BWA) License. The Company has paid Rs 122,955 million as 3G spectrum fees for 13 circles and Rs 33,144 million as BWA license fees for 4 circles.

10. Exceptional items relate to acquisition related costs such as advisory and professional fees/ expenses directly attributable to the acquisitions in Bangladesh and Africa.

11. Audited financial results of Bharti Airtel Limited as per IGAAP (standalone information in terms of Clause 41 (IV) (b) of the listing agreement):

(In Rs Million)

Sl. No.	Particulars	Quarter ended June 30		Year ended March 31
		2010	2009	2010
1	**Revenues**	**93,237**	**90,405**	**356,095**
2	**Profit before tax and exceptional items**	**22,054**	**30,798**	**106,993**
3	**Profit after tax and before exceptional items**	**19,309**	**26,875**	**94,262**
4	**Profit after tax and exceptional items**	**19,309**	**26,875**	**94,262**

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

Complaints pending as on April 1, 2010	Nil
Complaints received and resolved during the quarter	2
Complaints pending as on June 30, 2010	Nil

For Bharti Airtel Limited

For Bharti Airtel Limited

Sd/-
Sunil Bharti Mittal
Chairman and Managing Director

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

New Delhi
August 11, 2010

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