

Quarterly report on the results for the second quarter and half year ended September 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

airtel becomes the 4th largest global mobile operator

mobile banking launched by airtel Bangladesh

airtel Nigeria bags top telecom awards



November 07, 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 34

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., Airtel 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 Limited (Malawi), 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, Airtel Money S.A. (Gabon), 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., Burkina 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 Limited, Bharti Airtel Cameroon B.V., Airtel 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	Sep 2011	Dec 2011	Mar 2012	Jun 2012	Sep 2012
<u>Operating Highlights</u>									
Total Customer Base	000's	137,013	220,877	251,646	236,986	243,336	251,646	260,710	262,555
Total Minutes on Network	Mn Min	643,109	890,093	1,020,615	250,446	252,972	265,235	274,616	274,820
Sites on Network	Nos	107,443	131,304	141,059	135,813	137,826	141,059	147,010	151,219
Total Employees ³	Nos	18,791	23,371	20,479	21,548	20,675	20,479	20,892	21,299
No. of countries of operation	Nos	3	19	20	19	19	20	20	20
Population Covered	Bn	1.36	1.83	1.84	1.84	1.84	1.84	1.84	1.85
<u>Consolidated Financials (Rs Mn)</u>									
Total Revenue	Rs Mn	418,948	595,383	714,508	172,698	184,767	187,294	193,501	202,732
EBITDA	Rs Mn	168,149	200,718	237,123	58,151	59,584	62,329	58,487	63,508
EBIT	Rs Mn	105,317	98,652	103,442	26,312	23,739	27,646	20,916	24,948
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	162,817	180,581	204,836	49,356	51,576	53,581	48,671	53,539
Profit / (Loss) before Tax	Rs Mn	105,091	76,782	65,183	15,126	15,806	17,056	12,629	14,729
Net income	Rs Mn	89,768	60,467	42,594	10,270	10,113	10,059	7,622	7,212
Capex	Rs Mn	96,431	140,100	135,804	47,287	21,233	23,801	35,758	40,549
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	71,718	60,617	101,319	10,864	38,352	38,528	22,729	22,959
Net Debt	Rs Mn	23,920	599,512	650,394	644,298	677,628	650,394	682,983	667,600
Shareholder's Equity	Rs Mn	421,940	487,668	506,113	484,486	491,733	506,113	495,150	493,070
<u>Consolidated Financials (US\$ Mn)</u>									
Total Revenue ¹	US\$ Mn	8,797	13,063	14,937	3,782	3,649	3,723	3,583	3,673
EBITDA ¹	US\$ Mn	3,531	4,403	4,957	1,273	1,177	1,239	1,083	1,151
EBIT ¹	US\$ Mn	2,211	2,163	2,162	576	469	550	387	452
Cash profit from operations before Derivative & Exchange Fluctuations ¹	US\$ Mn	3,419	3,961	4,282	1,081	1,019	1,065	901	970
Profit / (Loss) before Tax ¹	US\$ Mn	2,207	1,682	1,363	331	312	339	234	267
Net income ¹	US\$ Mn	1,885	1,325	890	225	200	200	141	131
Capex ¹	US\$ Mn	2,025	3,072	2,839	1,035	419	473	662	735
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	1,506	1,330	2,118	238	757	766	421	416
Net Debt ²	US\$ Mn	530	13,427	12,714	13,169	12,722	12,714	12,129	12,669
Shareholder's Equity ²	US\$ Mn	9,347	10,922	9,893	9,903	9,232	9,893	8,793	9,357
<u>Key Ratios</u>									
EBITDA Margin	%	40.1%	33.7%	33.2%	33.7%	32.2%	33.3%	30.2%	31.3%
EBIT Margin	%	25.1%	16.6%	14.5%	15.2%	12.8%	14.8%	10.8%	12.3%
Net Profit Margin	%	21.4%	10.2%	6.0%	5.9%	5.5%	5.4%	3.9%	3.6%
Net Debt to Funded Equity Ratio	Times	0.06	1.23	1.29	1.33	1.38	1.29	1.38	1.35
Net Debt to EBITDA (LTM) - US\$	Times	0.15	2.95	2.56	2.70	2.58	2.56	2.54	2.72
Net Debt to EBITDA (Annualised) - US\$	Times	0.15	2.95	2.56	2.59	2.71	2.56	2.80	2.75
Interest Coverage ratio	Times	30.66	11.20	8.40	8.74	8.08	7.55	6.29	6.40
Return on Shareholder's Equity	%	24.5%	13.3%	8.6%	10.3%	9.5%	8.6%	7.7%	7.1%
Return on Capital employed	%	20.7%	10.8%	7.2%	7.9%	7.3%	7.2%	6.6%	6.2%
<u>Valuation Indicators</u>									
Market Capitalization	Rs Bn	1,184	1,358	1,279	1,436	1,302	1,279	1,158	1,006
Market Capitalization	US\$ Bn	26.2	30.4	25.0	29.3	24.4	25.0	20.6	19.1
Enterprise Value	Rs Bn	1,172	1,957	1,929	2,080	1,980	1,929	1,841	1,673
EV / EBITDA (Annualised)	Times	6.97	9.75	8.14	8.94	8.31	7.74	7.87	6.59

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. 45.67 for the quarter ended September 30, 2011 (e) Rs. 50.63 for the quarter ended December 31, 2011 (f) Rs. 50.30 for the quarter ended March 31, 2012 (g) Rs. 54.00 for the quarter ended June 30, 2012 (h) Rs. 55.19 for the quarter ended September 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 financial year ended March 31, 2011 (c) Rs. 51.16 for the quarter and financial year ended March 31, 2012 (d) Rs. 48.93 for the quarter ended September 30, 2011 (e) Rs 53.27 for the quarter ended December 31, 2011 (f) Rs. 56.31 for the quarter ended June 30, 2012 (g) Rs. 52.70 for the quarter ended September 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 20 countries including India, Bangladesh, Sri Lanka and 17 countries in Africa. We served close to 262.6 million customers as of September 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 Tower infrastructure pertaining to telecom operations through its subsidiary and its 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 (Airtel Business) 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 193 million customers in these geographies.

In India, we have 185.9 million mobile customers as on September 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 457,053 non-census towns and villages in India, covering approximately 86.6% 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 5.4 million active 3G customers of which 4.0 million are active 3G data customers as on September 30, 2012.

Our Airtel Money provides mobile wallet service, offering money transfer between its own mobile wallets and bank accounts including person to person money transfer capability.

Our 4G services currently launched in Kolkata, Bengaluru and Pune are based on TD-LTE technology and 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 162,457 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 39,000 retailers.

Airtel Bangladesh has 5.6 million customers and offers mobile services across 64 districts of Bangladesh with a distribution network comprising of around 89,000 retailers across the country. The burgeoning economy of Bangladesh coupled with growing population coverage of nearly 72% 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 September 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 7.5 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 304 channels including 15 HD channels and 5 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.

Tower Infrastructure Services (erstwhile Passive Infrastructure Services) – We provide tower infrastructure services through our subsidiary, Bharti Infratel and Indus Towers, a joint venture in which Bharti Infratel, Vodafone India and Aditya Birla Telecom hold equity interests of 42%, 42% and 16% respectively.

On a consolidated basis, Bharti Infratel is one of the largest tower infrastructure providers in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus, that are represented by Bharti Infratel's 42% equity interest in Indus. The business of Bharti Infratel and Indus is to acquire, build, own and operate tower and related infrastructure. Bharti Infratel and Indus currently provide access to their towers primarily to wireless telecommunications service providers on a shared basis, under long-term contracts.

We have a nationwide presence with operations in all 22 telecommunications Circles in India, with Bharti Infratel's and Indus' operations overlapping in four telecommunications Circles. As of September 30, 2012, Bharti Infratel owned and operated 34,220 towers in 11 telecommunications Circles while Indus operated 110,561 towers in 15 telecommunications Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 80,656 towers in India as of September 30, 2012.

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 58.7 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.

Innovation with focus on 3G data and m-Commerce continues to be the next growth frontier. We continue to focus on 3G through roll-out of new sites across markets to increase the user base. The Company is now offering 3G services in 11 countries namely: Ghana, Kenya, Nigeria, Tanzania, Zambia, Congo B, Sierra Leone, Malawi, Uganda, Rwanda and Madagascar.

Our offerings under 'Airtel Money' brand allow our customers to enjoy the convenience of banking on their mobiles with new, secure & robust features and stable platforms. Three countries launched Airtel money this quarter; namely Burkina Faso, Madagascar & Nigeria taking the total number of countries to 15.

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 and 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 & NSN for our TD-LTE (popularly known as 4G) networks in the BWA telecom circles of Kolkata, Karnataka and Maharashtra respectively.

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.

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. Infosys is our technology partner for the Airtel m-Commerce services in India and Comviva is for Africa. We have also launched cloud based services in partnership with HP and Microsoft.

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 & internet services and with Apple Inc for selling iPhone. We have also tied up Nokia, Blackberry and Apple to bring apps to our customers from their respective App stores.

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 28 - 30). Also, kindly refer to Section 7.4 - use of Non - GAAP financial information (page 34) and Glossary (page 48) for detailed definitions.

3.1 Consolidated - Summary of Consolidated Financial Statements

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

Particulars	<i>Amount in Rs mn, except ratios</i>					
	Quarter Ended			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
Total revenues	202,732	172,698	17%	396,233	342,447	16%
EBITDA	63,508	58,151	9%	121,995	115,209	6%
<i>EBITDA / Total revenues</i>	<i>31.3%</i>	<i>33.7%</i>		<i>30.8%</i>	<i>33.6%</i>	
EBIT	24,948	26,312	-5%	45,864	52,057	-12%
Finance cost (net)	10,219	11,186	-9%	18,430	19,735	-7%
Profit / (Loss) before Tax	14,729	15,126	-3%	27,358	32,321	-15%
Income tax expense ⁵	7,714	4,900	57%	12,592	10,041	25%
Net income / (loss) ⁵	7,212	10,270	-30%	14,834	22,422	-34%
Capex	40,549	47,287	-14%	76,306	90,770	-16%
Operating Free Cash Flow (EBITDA - Capex)	22,959	10,864	111%	45,689	24,439	87%
Cumulative Investments	1,877,197	1,700,728	10%	1,877,197	1,700,728	10%

Note 5: During the quarter ended September 30, 2012, the Group has recognized additional tax charge on account of Dividend Distribution Tax relating to the dividend received from Indus Towers Ltd for which no tax credit is available to the Group. As a result, tax expenses for the quarter are higher by Rs 657 Mn and the net income is lower by Rs 566 Mn.

3.1.2 Consolidated Summarized Statement of Financial Position

Particulars	<i>Amount in Rs mn</i>	
	As at Sep 30, 2012	As at Mar 31, 2012
Assets		
Non-current assets	1,459,416	1,422,532
Current assets	160,148	148,084
Total assets	1,619,564	1,570,616
Non-current liabilities	619,961	547,935
Current liabilities	479,781	488,873
Total liabilities	1,099,742	1,036,808
Equity & Minority Interest		
Equity	493,070	506,113
Non-Controlling Interest	26,752	27,695
Total Equity & Minority Interest	519,822	533,808
Total Equity and liabilities	1,619,564	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 Sep 2012			Quarter Ended Sep 2011			Half Year Ended Sep 2012			Half Year Ended Sep 2011		
	India & SA	Africa	Total	India & SA	Africa	Total	India & SA	Africa	Total	India & SA	Africa	Total
Total revenues	144,187	60,512	202,732	126,790	47,032	172,698	281,365	118,098	396,233	253,096	90,816	342,447
EBITDA	47,097	16,413	63,508	45,728	12,403	58,151	90,681	31,337	121,995	91,734	23,456	115,209
<i>EBITDA / Total revenues</i>	<i>32.7%</i>	<i>27.1%</i>	<i>31.3%</i>	<i>36.1%</i>	<i>26.4%</i>	<i>33.7%</i>	<i>32.2%</i>	<i>26.5%</i>	<i>30.8%</i>	<i>36.2%</i>	<i>25.8%</i>	<i>33.6%</i>
EBIT	20,552	4,397	24,948	22,524	3,768	26,312	38,085	7,802	45,864	45,997	6,040	52,057
Net income / (loss)	12,601	(5,388)	7,212	14,519	(4,266)	10,270	26,895	(12,037)	14,834	29,685	(7,282)	22,422
Capex	28,957	11,592	40,549	20,625	26,662	47,287	58,265	18,042	76,306	45,330	45,440	90,770
Operating Free Cash Flow (EBITDA - Capex)	18,140	4,821	22,959	25,103	(14,259)	10,864	32,416	13,295	45,689	46,403	(21,984)	24,439
Cumulative Investments	1,177,660	699,537	1,877,197	1,070,126	630,602	1,700,728	1,177,660	699,537	1,877,197	1,070,126	630,602	1,700,728

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Sep 30, 2012			
	India & SA	Africa	Eliminations	Total
Assets				
Non-current assets	930,210	662,223	(133,017)	1,459,416
Current assets	126,548	46,396	(12,796)	160,148
Total assets	1,056,758	708,618	(145,812)	1,619,564
Liabilities				
Non-current liabilities	172,294	447,667	-	619,961
Current liabilities	285,031	207,546	(12,796)	479,781
Total liabilities	457,325	655,213	(12,796)	1,099,742
Equity & Minority Interest				
Equity	571,519	54,568	(133,017)	493,070
Minority Interest	27,914	(1,162)	-	26,752
Total Equity & Minority Interest	599,433	53,405	(133,017)	519,822
Total Equity and liabilities	1,056,758	708,618	(145,812)	1,619,564

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			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
Total revenues	111,170	97,827	14%	218,018	196,231	11%
EBITDA	34,437	32,926	5%	66,787	66,540	0%
<i>EBITDA / Total revenues</i>	<i>310%</i>	<i>33.7%</i>		<i>30.6%</i>	<i>33.9%</i>	
EBIT	18,438	19,775	-7%	35,450	40,628	-13%
Capex	17,345	12,011	44%	36,756	25,463	44%
Operating Free Cash Flow (EBITDA - Capex)	17,092	20,914	-18%	30,031	41,076	-27%
Cumulative Investments	747,459	665,785	12%	747,459	665,785	12%

Note 6: Effective quarter ended Jun'12, 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			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
Total revenues	9,529	9,528	0%	18,971	18,985	0%
EBITDA	4,039	4,213	-4%	7,848	8,517	-8%
<i>EBITDA / Total revenues</i>	<i>42.4%</i>	<i>44.2%</i>		<i>41.4%</i>	<i>44.9%</i>	
EBIT	1,803	2,126	-15%	3,136	4,346	-28%
Capex	1,492	1,348	11%	3,573	4,461	-20%
Operating Free Cash Flow (EBITDA - Capex)	2,547	2,865	-11%	4,275	4,056	5%
Cumulative Investments	96,817	90,336	7%	96,817	90,336	7%

Note 7: Effective quarter ended Jun'12, 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			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
Total revenues	3,937	3,135	26%	7,595	6,069	25%
EBITDA	33	116	-72%	10	166	-94%
<i>EBITDA / Total revenues</i>	<i>0.8%</i>	<i>3.7%</i>		<i>0.1%</i>	<i>2.7%</i>	
EBIT	(2,228)	(1,806)	-23%	(4,493)	(3,300)	-36%
Capex	1,630	2,610	-38%	4,871	5,624	-13%
Operating Free Cash Flow (EBITDA - Capex)	(1,597)	(2,494)	36%	(4,861)	(5,458)	11%
Cumulative Investments	37,876	31,522	20%	37,876	31,522	20%

B2B Services

3.3.4 Airtel Business

Particulars	Quarter Ended			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Total revenues	13,934	11,042	26%	25,840	21,452	20%
EBITDA	2,148	2,371	-9%	4,111	4,674	-12%
<i>EBITDA / Total revenues</i>	<i>15.4%</i>	<i>215%</i>		<i>15.9%</i>	<i>218%</i>	
EBIT	770	1,051	-27%	1,361	1,734	-22%
Capex	458	116	293%	624	411	52%
Operating Free Cash Flow (EBITDA - Capex)	1,690	2,255	-25%	3,487	4,263	-18%
Cumulative Investments	42,268	43,676	-3%	42,268	43,676	-3%

3.3.5 Tower Infrastructure Services

Particulars	Quarter Ended			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Total revenues	25,567	23,766	8%	49,615	46,533	7%
EBITDA	9,577	8,902	8%	18,364	17,487	5%
<i>EBITDA / Total revenues</i>	<i>37.5%</i>	<i>37.5%</i>		<i>37.0%</i>	<i>37.6%</i>	
EBIT	4,090	3,520	16%	7,510	6,953	8%
Capex	5,679	3,743	52%	9,963	7,858	27%
Operating Free Cash Flow (EBITDA - Capex)	3,898	5,159	-24%	8,401	9,629	-13%
Cumulative Investments	243,664	229,486	6%	243,664	229,486	6%

Others

3.3.6 Others (India & South Asia)

Particulars	Quarter Ended			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
	<i>Amount in Rs mn, except ratios</i>					
Total revenues	946	859	10%	1,763	1,650	7%
EBITDA	(2,249)	(1,969)	-14%	(4,744)	(4,036)	-18%
EBIT	(2,336)	(2,118)	-10%	(4,960)	(4,332)	-14%
Capex	2,353	787	199%	2,478	1,513	64%
Operating Free Cash Flow (EBITDA - Capex)	(4,602)	(2,756)	-67%	(7,222)	(5,549)	-30%
Cumulative Investments	9,576	9,322	3%	9,576	9,322	3%

Includes corporate office and other support units.

AFRICA

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

Particulars	Quarter Ended			Half Year Ended		
	Sep-12	Sep-11	Y-on-Y Growth	Sep-12	Sep-11	Y-on-Y Growth
Total revenues	1,097	1,030	6%	2,163	2,009	8%
EBITDA	298	270	10%	573	517	11%
<i>EBITDA / Total revenues</i>	27.2%	26.2%		26.5%	25.7%	
EBIT	80	81	-1%	142	131	8%
Capex	210	575	-63%	330	995	-67%
Operating Free Cash Flow (EBITDA - Capex)	88	(305)	129%	243	(478)	151%
Cumulative Investments	13,274	12,889	3%	13,274	12,889	3%

Note 8: Africa financials reported above are in their functional currency i.e., US\$.

Note 9: In constant currency terms, reported revenues of \$ 1,097 Mn for the quarter ended Sep'12 against \$ 970 Mn in the same quarter last year, represents a growth of 13.0%.

3.4 Region wise & Segment wise Investment & Contribution

3.4.1 India and South Asia

Amount in Rs mn, except ratios

Segment	Quarter Ended Sep 2012						As at Sep 30, 2012	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services ¹⁰	111,170	77%	34,437	73%	17,345	60%	747,459	63%
Telemedia Services	9,529	7%	4,039	9%	1,492	5%	96,817	8%
Digital TV Services	3,937	3%	33	0%	1,630	6%	37,876	3%
Airtel Business	13,934	10%	2,148	5%	458	2%	42,268	4%
Tower Infrastructure Services	25,567	18%	9,577	20%	5,679	20%	243,664	21%
Others	946	1%	(2,249)	-5%	2,353	8%	9,576	1%
Sub Total	165,083	114%	47,985	102%	28,957	100%	1,177,660	100%
Eliminations	(20,896)	-14%	(888)	-2%	-	0%		
Accumulated Depreciation And Amortization							(430,548)	
Total (India & SA)	144,187	100%	47,097	100%	28,957	100%	747,112	
Consolidated	202,732		63,508		40,549		1,877,197	
% of Consolidated	71%		74%		71%		63%	

Amount in Rs mn, except ratios

Segment	Half Year Ended Sep 2012						As at Sep 30, 2012	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services ¹⁰	218,018	77%	66,787	74%	36,756	63%	747,459	63%
Telemedia Services	18,971	7%	7,848	9%	3,573	6%	96,817	8%
Digital TV Services	7,595	3%	10	0%	4,871	8%	37,876	3%
Airtel Business	25,840	9%	4,111	5%	624	1%	42,268	4%
Tower Infrastructure Services	49,615	18%	18,364	20%	9,963	17%	243,664	21%
Others	1,763	1%	(4,744)	-5%	2,478	4%	9,576	1%
Sub Total	321,802	114%	92,376	102%	58,265	100%	1,177,660	100%
Eliminations	(40,437)	-14%	(1,695)	-2%	-	0%		
Accumulated Depreciation And Amortization							(430,548)	
Total (India & SA)	281,365	100%	90,681	100%	58,265	100%	747,112	
Consolidated	396,233		121,995		76,306		1,877,197	
% of Consolidated	71%		74%		76%		63%	

Note 10: Cumulative Investments includes National optic fibre network.

3.4.2 Africa

Amount in US\$ mn, except ratios

Segment	Quarter Ended Sep 2012						As at Sep 30, 2012	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Consolidated Africa	1,097	100%	298	100%	210	100%	13,274	100%
Accumulated Depreciation And Amortization							(1,527)	
Total (Africa)	1,097	100%	298	100%	210	100%	11,747	
% of Consolidated	29%		26%		29%		37%	

Amount in US\$ mn, except ratios

Segment	Half Year Ended Sep 2012						As at Sep 30, 2012	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Consolidated Africa	2,163	100%	573	100%	330	100%	13,274	100%
Accumulated Depreciation And Amortization							(1,527)	
Total (Africa)	2,163	100%	573	100%	330	100%	11,747	
% of Consolidated	29%		26%		24%		37%	

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	Sep 30, 2012	Jun 30, 2012	Q-on-Q Grow th	Sep 30, 2011	Y-on-Y Grow th
Mobile Services	000's	251,825	250,038	1%	227,044	11%
India & South Asia	000's	193,158	194,183	-1%	178,606	8%
Africa	000's	58,667	55,855	5%	48,437	21%
Telemidia Services	000's	3,275	3,272	0%	3,328	-2%
Digital TV Services	000's	7,455	7,400	1%	6,614	13%
Total	000's	262,555	260,710	1%	236,986	11%
Non Voice Revenue as a % of Total Revenues	%	27.2%	26.6%		26.5%	

Note 11: Effective quarter ended Jun'12, Non Voice revenue includes revenue from non-telecom (refer glossary for definition). Previous quarters' have been restated accordingly. Also, refer to note 12.

4.2 Traffic Details – Consolidated

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Grow th	Sep 30, 2011	Y-on-Y Grow th
Mobile Services	Mn Min	266,780	267,511	0%	242,683	10%
India & South Asia	Mn Min	243,134	247,860	-2%	224,734	8%
Africa	Mn Min	23,646	19,651	20%	17,950	32%
Telemidia Services	Mn Min	4,156	4,162	0%	4,598	-10%
National Long Distance Services	Mn Min	22,997	22,241	3%	20,305	13%
International Long Distance Services	Mn Min	4,340	3,362	29%	3,519	23%
Total Minutes on Network (Gross)	Mn Min	298,273	297,276	0%	271,106	10%
Eliminations	Mn Min	(23,453)	(22,660)	4%	(20,660)	14%
Total Minutes on Network (Net)	Mn Min	274,820	274,616	0%	250,446	10%

4.3 Mobile Services India

Parameters	Unit	Sep 30, 2012 ¹²	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Customer Base	000's	185,922	187,302	-1%	172,783	8%
VLR	%	91.5%	90.8%		88.6%	
Net Additions	000's	(1,380)	6,023	-123%	3,595	-138%
Pre-Paid (as % of total Customer Base)	%	96.0%	96.2%		96.3%	
Monthly Churn	%	8.5%	8.8%		7.2%	
Average Revenue Per User (ARPU)	Rs	177	185	-4%	183	-3%
Average Revenue Per User (ARPU)	US\$	3.2	3.4	-6%	4.0	-20%
Total Revenue / Minutes on Network	paisa	42.6	42.7	0%	43.2	-1%
Revenue per site per month	Rs	260,380	275,647	-6%	266,165	-2%
Voice						
Minutes on the network	Mn	234,224	239,338	-2%	217,408	8%
Voice Average Revenue Per User (ARPU)	Rs	148	154	-4%	153	-4%
Voice Usage per customer	min	417	433	-4%	423	-2%
Voice Realization per minute	paisa	35.4	35.7	-1%	36.2	-2%
Non Voice Revenue						
% of Mobile revenues	%	16.8%	16.3%		16.1%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	10.1%	10.8%		12.2%	
Data as % of Mobile revenues	%	5.2%	4.3%		3.1%	
Others as % of Mobile revenues	%	1.5%	1.2%		0.8%	
Data						
Data Customer Base	000's	40,600	38,660	5%	NA	NA
Of which no. of 3G data customers	000's	4,014	3,713	8%	NA	NA
As % of Customer Base	%	21.8%	20.6%		NA	
Total MBs on the network	Mn MBs	15,879	12,566	26%	NA	NA
Data Average Revenue Per User (ARPU)	Rs	43	40	9%	NA	NA
Data Usage per customer	MBs	133	112	19%	NA	NA
Data Realization per MB	paisa	32.4	35.3	-8%	NA	NA

Note 12: In the quarter ended Sep 30, 2012, the Group was awarded a favourable order by TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements, for which accounting has been recognized, and for which KPI parameters reflect only the proportion applicable to the quarter ended Sep 30, 2012 with no prior period adjustments.

4.4 Telemedia Services

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Telemedia Customers	000's	3,275	3,272	0%	3,328	-2%
Of which no. of broadband (DSL) customers	000's	1,380	1,371	1%	1,398	-1%
As % of Customer Base	%	42.1%	41.9%		42.0%	
Net additions	000's	3	2	32%	7	-60%
Average Revenue Per User (ARPU)	Rs	971	962	1%	955	2%
Average Revenue Per User (ARPU)	US\$	17.6	17.8	-1%	20.9	-16%
Non Voice Revenue as % of Telemedia revenues	%	55.4%	54.3%	2%	52.1%	6%

4.5 Digital TV Services

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Digital TV Customers	000's	7,455	7,400	1%	6,614	13%
Net additions	000's	55	172	-68%	352	-84%
Average Revenue Per User (ARPU)	Rs	177	166	6%	161	10%
Average Revenue Per User (ARPU)	US\$	3.2	3.1	4%	3.5	-9%
Monthly Churn	%	1.9%	1.7%		1.2%	

4.6 Network and Coverage - India

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	5,121	5,121	-	5,115	6
Non-Census Towns and Villages	Nos	457,053	455,575	1,478	453,148	3,905
Population Coverage	%	86.6%	86.5%		86.3%	
Optic Fibre Network	R Kms	162,457	159,762	2,695	151,719	10,738
Sites on Network	Nos	129,411	126,010	3,401	118,011	11,400
Of which no. of 3G sites	Nos	20,333	18,012	2,321	12,979	7,354
Telemedia Services						
Cities covered	Nos	87	87	-	87	-
Airtel Business						
Submarine cable systems	Nos	7	7	-	7	-
Digital TV Services						
Districts Covered	Nos	632	616	16	582	50
Coverage	%	99%	96%		91%	

4.7 Tower Infrastructure Services ¹⁶

4.7.1 Bharti Infratel Consolidated

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Total Towers ¹³	Nos	80,656	79,452	1,203	78,859	1,797
Total Co-locations ¹³	Nos	154,296	151,458	2,837	146,548	7,748
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	34,449	33,388	3%	34,576	0%
Average Sharing Factor	Times	1.91	1.90		1.85	

Note 13: Represents the sum of the number of towers (and the co-locations thereof) owned and operated by Bharti Infratel (as set forth in table 4.7.2) and 42% of the number of towers (and the co-locations thereof) owned and operated by Indus and includes the towers (and the co-locations thereof) operated by Indus pursuant to the Indefeasible Right to use agreements.

4.7.2 Bharti Infratel Standalone

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Total Towers ¹⁴	Nos	34,220	33,446	774	32,993	1,227
Total Co-locations ¹⁴	Nos	62,027	60,714	1,313	59,366	2,661
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	36,839	36,170	2%	36,293	2%
Average Sharing Factor	Times	1.81	1.82		1.79	

Note 14: Represents Total Towers (and the co-locations thereof) owned and operated by Bharti Infratel and excludes the towers (and the co-locations thereof) operated by Indus pursuant to the Indefeasible Right to use agreements.

4.7.3 Indus Towers

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Total Towers ¹⁵	Nos	110,561	109,539	1,022	109,204	1,357
Total Co-locations ¹⁵	Nos	219,687	216,058	3,629	207,575	12,112
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	31,711	29,777	6%	31,117	2%
Average Sharing Factor	Times	1.98	1.96		1.89	

Note 15: Represents Total towers (and the co-locations thereof) owned and operated by Indus and includes the towers (and the co-locations thereof) operated by Indus pursuant to the Indefeasible Right to use agreements.

Note 16: During the quarter ended Sep 30, 2012, the Company has changed the nomenclature and definitions of Tower infrastructure operational & financial performance indicators to reflect the globally used tower companies' terminologies. The revised definitions are enclosed as part of Glossary and wherever necessary the previous quarter figures have been restated accordingly so as to conform to the revised definitions.

4.8 Human Resource Analysis – India

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Consolidated						
Total Employees ¹⁷	Nos	15,579	15,256	323	15,611	(32)
Number of Customers per employee	Nos	12,623	12,977	(354)	11,705	918
Personnel cost per employee per month	Rs	118,425	118,119	0%	116,451	2%
Gross Revenue per employee per month ¹⁷	Rs	2,896,814	2,935,716	-1%	2,661,360	9%

Note 17: Total Employees include proportionate consolidation of 42% Indus towers employees. Also refer to note 12.

4.9 Operational Performance - Africa

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Customer Base	000's	58,667	55,855	5%	48,437	21%
VLR	%	85.8%	85.3%		87.1%	
Net Additions	000's	2,812	2,715	4%	2,131	32%
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%		99.3%	
Monthly Churn	%	5.1%	5.1%		6.1%	
Average Revenue Per User (ARPU)	US\$	6.4	6.5	-2%	7.3	-12%
Total Revenue / Minutes on Network	US¢	4.6	5.4	-15%	5.7	-19%
Revenue per site per month	US\$	22,872	23,134	-1%	25,836	-11%
Voice						
Minutes on the network	Mn	23,646	19,651	20%	17,950	32%
Voice Average Revenue Per User (ARPU)	US\$	5.5	5.7	-3%	6.5	-15%
Voice Usage per customer	min	138	120	14%	128	8%
Voice Realization per minute	US¢	4.0	4.7	-15%	5.1	-21%
Non Voice Revenue						
% of Mobile revenues	%	13.0%	12.9%		10.7%	
Of Which						
Messaging & VAS as % of Mobile revenues	%	6.9%	7.0%		6.0%	
Data as % of Mobile revenues	%	3.6%	3.4%		2.7%	
Others as % of Mobile revenues	%	2.5%	2.5%		2.0%	

Refer page 42 for KPI's in constant currency.

4.10 Network & Coverage - Africa

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Sites on Network	Nos	15,979	15,439	540	13,628	2,351
Of which no. of 3G sites	Nos	5,347	4,787	560	NA	NA

4.11 Human Resource Analysis - Africa

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Q-on-Q Growth	Sep 30, 2011	Y-on-Y Growth
Total Employees	Nos	4,984	4,907	77	5,115	(131)
Number of Customers per employee	Nos	11,771	11,383	388	9,470	2,301
Personnel cost per employee per month	US\$	6,015	5,436	11%	5,154	17%
Gross Revenue per employee per month	US\$	73,335	72,831	1%	67,138	9%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India and South Asia

A. Key Industry Developments

1. TRAI direction on Providing Broadband Services

On July 27, 2012, TRAI issued a Direction for delivering broadband services in a transparent manner by providing adequate information to broadband consumers:

- Information about Data usage, speed limit and fair usage policy to be furnished on website and in all advertisements.
- Provide the above specified information to new subscribers at the time of enrolment and to existing customers through registered email ID and SMS on registered mobile numbers
- Ensure that speed of Broadband connection is not reduced below 256 Kbps as specified in QoS Regulation, 2006.
- Provide alert to the customer at the time of login to the network of the service provider when the data usage reaches 80% of the data usage limit bundled with the plan and to ensure that such alert shall be provided at each login after data usage crosses the said limit.
- Send alert to the customer either through SMS on the mobile number registered with the service provider or to the registered email, each time when the data usage by the customer reaches 80% and 100% of the data usage limit bundled with plan opted by the customer, or through USSD at each login by the customer.

2. DoT Instructions on verification of new mobile subscribers (prepaid and postpaid)

DoT has issued revised instructions on Aug 09, 2012, which will be effective from Nov 10, 2012. Some of the salient new features are as under:

- Tele-verification of all new customers – incoming and outgoing will be barred till tele-verification, except calls to operator.
- Activation only after completion of documentary requirements and updation in database. Employee of the Company has to certify and sign to this effect.
- No bulk connection for individuals (more than 9).
- Existing bulk connections shall be made compliant to these instructions.
- Penalty of Rs 50,000 for pre-activated SIMs.

- Missing forms in the audit will be treated as pre-activated connections.

3. TRAI direction on Wangiri calls

On Sep 7, 2012 TRAI directed all service providers regarding menace of missed calls (Wangiri calls) as below:

- No ISD facility is activated on pre-paid SIM without the explicit consent of the consumer.
- Inform all pre-paid subscribers having ISD facility, through SMS, within ten days of the date of issue of this direction, that ISD facility of the subscribers shall be discontinued after sixty days. If any such subscriber wants to continue with ISD facility, they should give their explicit consent for availing such facility within sixty days of the receipt of the SMS
- Inform through SMS, within ten days of the date of the issue of this direction, all pre-paid cellular mobile telephone service consumers not to respond to missed calls from unknown international numbers with prefix other than "+91".
- Provide easy and transparent opt-in and opt-out facility to the consumers of the cellular mobile telephone service for activation or deactivation of ISD facility.

4. TRAI direction on Blackout days

On Sep 14, 2012, TRAI issued a Direction prescribing the following additional measures in the matter of charging on blackout days:

- The charges for calls or SMSs on 'blackout' days shall not exceed the rate in the tariff plan in which the consumer is enrolled.
- Consumers shall be given intimation prior to start of every blackout day and the date/ occasion of the blackout day shall also be intimated.
- List of blackout days applicable for the calendar year shall be displayed on the website of service providers, before start of every calendar year and shall be published, service area wise, along with the tariff plans of the service provider, every six months.

5. TRAI Regulation on Intelligent Network Services in Multi Operator and Multi Network Scenario

TRAI on Sep 18, 2012 issued amendment to its regulation on Intelligent Network Services in Multi

Operator and Multi Network Scenario with key highlights as below:

- All service providers who are already providing IN based services or would start IN based services at later date will enter into an agreement with all the access providers within 90 days which can be extended to 180 days on SP request. Else TRAI would intervene & specify the interconnect arrangement between the operators.
- The amendment would be useful for virtual calling card (VCC) issued by long distance providers.
- After the agreements between the service providers, the subscribers will be able to make STD/ISD calls using calling cards issued by NLDOs/ILDOS.

6. TRAI's Regulation on Port Charge

On Sep 18, 2012, TRAI issued the second amendment to the Port Charges Regulation and has prescribed the following ceilings on Port charges w.e.f Oct 1, 2012:

- Rs 4,000 per port per annum for MSC connectivity.
- Rs 10,000 per port per annum for TAX connectivity.

7. TRAI 52nd TTO prescribing financial disincentives

On Sep 19, 2012 TRAI issued Telecommunication Tariff (Fifty Second Amendment) Order (TTO) prescribing financial disincentives on the service providers in the following situations:

- Service Provider is required to report a tariff to the TRAI within 7 working days from the date of implementation / launch, failing which a financial disincentive of Rs 5000/ per day for delay in filing subject to maximum of Rs 2 lakh has been prescribed.
- It is mandatory to give a minimum notice period of 30 days to existing customers before terminating the tariff plan.
- Tariff Order provides for financial disincentives not exceeding the amount of excess charges levied, in addition to the refund made to affected subscribers.

8. TRAI Regulation on MNP - Financial disincentive

On Sep 19, 2012 TRAI issued the telecommunication Mobile Number Portability (Fourth Amendment) Regulation 2012 incorporating the provisions for levying financial disincentives on telecom service providers for contravention of MNP Regulations (Rejection of the porting request + timelines):

- Rs 5,000 would be levied in case of deviation from the specified timelines.
- Rs 10,000 would be levied where contravention is established in rejection of porting request by service provider.

9. DoT revised criteria for allocation of number series / MSC codes

On Sep 27, 2012 DoT has issued revised criteria for allocation of MSC codes. The new slabs have been introduced as follows:

- 0 - 15 Mn allotted codes - VLR utilization of 63%
- 15 - 20 Mn allotted codes - VLR utilization of 66%
- 20 - 25 Mn allotted codes - VLR utilization of 68%
- > 25 Mn allotted codes - VLR utilization of 70%

B. Key Company Developments

- Bharti Airtel becomes the fourth largest mobile operator in the world in terms of subscribers (*Source: Wireless Intelligence 'Scoreboard'*).
- In August 2012, Bharti Airtel announced that it has crossed the 200 million customer mark in India.
- Bharti Airtel announced the launch of Airtel postpaid 4G services in Pune – thus becoming the first in Maharashtra to bring the 4G experience for its customers. Airtel Broadband TV and Games On-Demand have also been launched and are available for Airtel 4G customers on free trial offer.
- Airtel Bangladesh Limited announced its partnership with Dutch Bangla Bank to introduce m-Commerce Services for all airtel subscribers. This is going to offer multiple services like cash in, cash out, send money, mobile top up, remittance and salary disbursement etc.
- In continuation of its focus on the 'friendship' brand idea, Airtel launched its "Jo tera hai, woh mera hai" campaign depicting the preferences and behavioral pattern of today's always online Indian youth.
- A host of brand activations were announced for 2012 Formula One Airtel Indian Grand Prix. These included the race partnership with MERCEDES AMG PETRONAS, showcase of this year's trophy design and Airtel Grid Girls outfit, 'Join Our Pit Crew' contest and several other on-ground activations.
- Airtel Delhi Half Marathon 2012 was organized on 30th September 2012 and saw participation from some of the world's best long distance running athletes and over 31,746 participants across India.
- As title sponsor of the tournament, Airtel unveiled the trophy for the India - New Zealand Test & T20 Cricket Series.
- Airtel announced the launch of Airtel Smart Drive for its customers – a unique application that gives customers access to voice guided navigation and live traffic updates.
- Airtel launched USSD-based self care facility for its Airtel Digital TV customers

- 'MyAirtel' application was launched for Airtel customers across India. The app, which is available for free, allows Airtel customers of various services (including mobile, fixed line and DTH) to check outstanding bills, recharge accounts, make payments, activate / deactivate services, raise requests and complaints etc. thereby enhancing the customer experience.
- Airtel announced USSD access to Facebook for its customers in Bangladesh.
- Bharti Airtel announced the launch of its Cloud Enablement Platform (CLEP) based on the HP Aggregation Platform for SaaS (AP4SaaS). The Company will offer hosted SaaS and IaaS applications to the small and large enterprises on a 'pay as you go' model - thereby helping them to meet the ever evolving business demands.
- Bharti Airtel announced its partnership with Microsoft to deliver Microsoft's cloud based Office 365 business productivity solutions to Small and Medium Businesses by provisioning the service through its cloud platform. Microsoft office 365 suite packaged with Airtel internet products will address the growing ICT needs of SMB segment by addressing their connectivity and productivity requirements while allowing them to focus on their core business activities
- Bharti Airtel was awarded the Porter Prize in the 'Exploiting Trade-offs' category. The Porter Prize Awards, named after renowned Professor Michael Porter, are the most coveted awards in the field of strategy and competitiveness. The award recognizes and honors Indian companies which have embraced the best strategic management practices.
- Airtel was conferred the prestigious, global Adam Smith Award 2012 for Highly Commended 'Best in Class Benchmarking' in recognition of its excellence in the area of treasury operations.
- The Airtel Centre of Excellence (ACE) has received the 'Excellence Award for Shared Service Centre Operations in India' by All India Management Association and Delhi Management Association in recognition of their outstanding efforts to identify key strategic drivers and implementing them to deliver value to all stakeholders.

5.2 Africa

A. Key Industry Developments

Burkina Faso

- **3G license**
License terms and conditions have been agreed & signed and License fee has been paid.
- **KYC**
As per Regulator directive, no pre activated SIMs to be sold from 1st October 2012.

Congo DRC

- **3G License**
The 3G license has been signed in July 2012 and the license fee has been paid.

Kenya

- **LTE**
Airtel has submitted its proposal to be a part of the Kenya Government's initiative on future LTE license consortium.
- **Interconnection**
The Regulator had asked for a report on the effect of the previous reduction in Mobile Termination Rate (MTR) on the macro economy of Kenya. On the basis of this report and other consultations that have taken place, the Regulator is expected to take a decision on the reduction of MTR.
- **Switching off counterfeit phones**
As per the Government directive all the counterfeit phones needs to be switched off by 30th September. No extension to deadline has been granted.

Niger

- **3G License**
Negotiations are ongoing with the Government to launch a national tender process to grant 3G licenses to existing operators.

Nigeria

- **Interconnection Rate**
The Regulator has appointed an external agency to conduct a study on the current regime of Interconnect rate.
- **Critical National Infrastructure**
Airtel and other operators made submissions to Regulator on the need to declare telecoms infrastructure as 'Critical National Infrastructure'. Government is taking adequate steps to facilitate the declaration & security has been enhanced around key telecom infrastructure.

Rwanda

- **Interconnect Rates**
New regulations have been introduced on the International Gateway Traffic Verification System (IGTVS). Contract has been signed with GVG introducing higher international termination rates into the country.

Tanzania

- **Taxes and fees**
National Budget has increased excise duty from 10% to 12% and import duty relief on capital goods has been reduced to 90%.
- **Interconnect rate review**
The Regulator has appointed an external agency to conduct a study on the Interconnect rates. New rates are expected to be finalized by January 01, 2013.

Uganda

- **Interconnect rates**
Post the government sponsored study, new Interconnect rates have been announced which are lower as compare to the previous rates. The Company

is the process of signing off relevant agreement with other operators.

Zambia

- **KYC**
Commencing August 29, 2012, all operators need to comply with the Know Your Customer (KYC) norms as stated by the Regulator.

B. Key Company Developments

- Airtel has rolled out 3G services in Ghana, Sierra Leone, Kenya, Nigeria, Zambia, Tanzania, Congo B, Malawi, Uganda, Rwanda & Madagascar taking the total number of countries to 11. Airtel now has the largest network in comparison to competition which is in line with Company's objective of being the largest 3G network across Africa.
- Airtel's 3G services is ahead of competition in terms of quality with a focus on coverage, speed and affordability and all launches coincide with Video Calling, Airtel Live 2.0 and a new set of innovative tariff plans.
- Airtel Money was launched in 3 countries namely Burkina Faso, Madagascar & Nigeria bringing the total countries to 15.
- A pan African partnership with 'Sanlam' (one of the largest insurance companies on the continent) has been signed for distribution of insurance through Airtel Money.
- Airtel Nigeria, clinched three industry Awards at the prestigious 8th edition of the Telecoms Awards. Airtel beat other blue chip competitors to emerge the Industry's Most Innovative Telecom Company of the Year, Telecom Brand of the year and Customer Friendly Operator of the year. Airtel was particularly commended for its ability to chart new paths in meeting the demands and needs of stakeholders through a superior brand experience, rich portfolio of innovative products and services, ranging from exciting voice solutions to inventive data packages and mobile broadband.
- Airtel continues to drive the iconic stature of the brand. Through its Airtel Rising Stars campaign, Airtel attracted 18,000 football teams and 324,000 young men and women across 15 countries in Africa. The culmination of the youth football tournament was flagged off by Kenya's Prime Minister in Nairobi.
- Two soccer clinics were held in collaboration with Manchester United and Arsenal, with Arsenal hosting their first ever clinic in Africa through its partnership with Airtel.
- Airtel has rolled out numerous youth campaigns across countries like Nigeria, Zambia, Gabon, Kenya, Ghana, Niger 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 September 30, 2012

- Overall customer base at 262.6 million.
- Net addition of 1.84 million customers.
- Total Revenues of Rs 202.7 billion (up 17% Y-o-Y).
- EBITDA Rs 63.5 billion (up 9% Y-o-Y).
- Net Income of Rs 7.2 billion (down 30% Y-o-Y).
- Operating free cash flow of Rs 23.0 billion (up 111% Y-o-Y).

Bharti Airtel Consolidated

Quarter ended September 30, 2012

Customer Base

As on September 30, 2012, the Company had an aggregate of 262.6 million customers consisting of 251.8 million Mobile, 3.3 million Telemedia and 7.5 million Digital TV customers. Its total customer base as on September 30, 2012 increased by 11% compared to its customer base as on September 30, 2011. The 250 million mark (wireless customers) is an important milestone and has placed the Company as the fourth largest mobile operator in the world (Source: *Wireless Intelligence 'Scorecard'*).

Revenues/Turnover

During the quarter ended September 30, 2012, the Company recorded revenues of Rs 202,732 million, a growth of 17% compared to the quarter ended September 30, 2011, with Non-voice revenue contributing to approximately 27.2% of the total revenues for the quarter.

Operating Expenses (excluding-revenue share license and spectrum fee)

During the quarter ended September 30, 2012; the Company incurred an operating expenditure of Rs 93,327 million representing 46.0% of the total revenues. The operating expense comprises of: Rs 46,297 million towards network operations cost (22.8% of total revenues), Rs 35,732 million towards selling, general & administrative cost (17.6% of total revenues), Rs 9,846 million towards employee costs (4.9% of total revenues) and Rs 1,452 million towards cost of goods sold (0.7% of total revenues). Market correction in customer acquisition practices has enabled a reduction in selling, general & administrative costs in India & South Asia by Rs 1,049 million compared to the previous quarter ended June 30, 2012.

EBITDA, EBIT & Finance Cost

During the quarter ended September 30, 2012, the Company had an EBITDA of Rs 63,508 million, a growth of 9% compared to the quarter ended September 30, 2011. The reported EBITDA margin for the quarter was 31.3%.

During the quarter ended September 30, 2012, the Company had depreciation and amortization expenses of Rs 38,560 million on the back of continuing investments on network. The resultant EBIT for the quarter ended September 30, 2012 was Rs 24,948 million, a decline of 5% compared to quarter ended September 30, 2011.

The net finance cost for the quarter ended September 30, 2012 was Rs 10,219 million. During the quarter, the interest on borrowings & finance charges was Rs 11,644 million, derivatives & exchange fluctuation loss of Rs 250 million and the investment income (primarily related to income on marketable securities) was Rs 1,675 million.

Profit / (Loss) Before Tax (PBT)

The Profit / (Loss) before tax for the quarter was Rs 14,729 million, a decrease of 3%, as compared to the quarter ended September 30, 2011.

Net income

The net income for the quarter ended September 30, 2012 was Rs 7,212 million representing a Y-o-Y decline of 30%. The current tax for the quarter ended September 30, 2012 was Rs 7,466 million, deferred tax income was Rs 686 million, dividend distribution taxes were Rs 657 million and withholding taxes were Rs 278 million. The effective tax rate for India & South Asia for the half year ended September 30, 2012 was 27.7% (26.0% excluding dividend distribution tax).

During the quarter ended September 30, 2012, the Group was awarded a favorable order by the TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements. The Group, based on the TDSAT judgment and independent legal opinion, has recognized revenues of Rs 5,861 Mn, resulting in higher PBT and net income of Rs 3,448 million and Rs 2,386 million respectively in the current quarter, relating to previous periods.

Statement of Financial Position

The Company had total assets of Rs 1,619,564 million and total liabilities of Rs 1,099,742 million, as on September 30, 2012. The difference of Rs 519,822 million was on account of Equity attributable to equity holders of parent and non-controlling interest. Equity movement during the quarter ended September 30, 2012 includes changes in foreign currency translation reserve (FCTR) of Rs 4,171 million arising from appreciation of the Rupee and the movements of various functional currencies of overseas operations, on net basis.

The Company had a net debt of Rs 667,600 million (US\$ 12,669 million) as on September 30, 2012, resulting in a Net Debt (in US \$) to EBITDA (LTM in US \$) of 2.72. This includes Rs 23,719 million, representing 49% of the net debt of the Qualcomm subsidiaries, into which the Company had acquired stakes in May, 2012. The consolidated Net Debt in US\$ terms has increased during the quarter by US\$ 540 million.

Capital Expenditure & Operating Free Cash Flow

During the quarter ended September 30, 2012, the Company incurred capital expenditure of Rs 40,549 million. The Operating Free Cash Flow during the quarter was Rs 22,959 million, a growth of 111% over the same period last year.

Human Resources

As on September 30, 2012, the Company had a total of 21,299 employees.

B2C Services – India & South Asia

Mobile Services

The quarter witnessed seasonal slowdown in activities resulting in subdued top line growth. The quarter also witnessed several initiatives taken by the industry to bring more discipline in the customer acquisition process; this resulted in lower customer additions and an industry wide decline in the customer base.

Customer Base, Churn, ARPU and MoU - India

As on September 30, 2012, the Company had 185.9 million GSM mobile customers on its network of which number of 3G customers were 5.4 million. The average monthly churn for the quarter ended September 30, 2012 was 8.5%.

During the quarter, blended ARPU was Rs 177 (US\$ 3.2) per month. The blended monthly voice usage per customer during the quarter was at 417 minutes reflecting the seasonal slowdown in consumption.

The gross realization per minute during the quarter was 42.6 paisa. Voice ARPU was Rs 148 and Voice realization was 35.4 paisa per minute.

Value added services, which include revenue from services apart from voice, data & others viz. SMS, MMS, Ring Back Tones, Airtel Talkies, Music on Demand etc. contributed to approximately 10.1% of the total revenues of the segment. The Company strongly believes in placing customer interest as its top priority. The Company had taken a leadership position in meeting the TRAI guidelines on provision of VAS services, resulting in seeking prior confirmation from customers before activation of VAS services. This has resulted in a decline in VAS revenue compared to the previous quarter.

Data ARPU came in at Rs 43, helped by average data download of 133 MBs per user per month, and blended data realization rate of 32.4 paisa per MB. The Company had 40.6 million Data (Mobile Internet) customers, of which 4.0 million used 3G services. The continued actions to drive penetration and consumption through innovative products and affordable pricing have enabled the Company to improve Data usage and Data ARPU.

Revenues, EBITDA and EBIT

The revenues for the quarter ended September 30, 2012 for mobile services stood at Rs 111,170 million, a growth of 14% over the corresponding quarter last year. The revenue from this segment contributed to 77.1% of the total revenues of India & South Asia.

The EBITDA during the quarter ended September 30, 2012 was Rs 34,437 million representing a growth of 5% over the quarter ended September 30, 2011. The EBITDA margin for the quarter ended September 30, 2012 was 31.0%. The EBIT for the quarter ended September 30, 2012 was Rs 18,438 million as compared to Rs 19,775 million for the quarter ended September 30, 2011, a decline of 7%.

Capital Expenditure

During the quarter ended September 30, 2012, the Company incurred a capital expenditure of Rs 17,345 million in Mobile Services (including investments towards launch of 4G services).

Telemedia Services

Customer Base and ARPU

As on September 30, 2012, the Company had its Telemedia operations in 87 cities. The number of customers stood at 3.3 million customers as on September 30, 2012. The

Company had approximately 1.4 million broadband (DSL) customers. The ARPU for the quarter was Rs 971 (US\$ 17.6) per month.

Revenues, EBITDA and EBIT

For the quarter ended September 30, 2012, the revenues from Telemedia operations remained flat at Rs 9,529 million over the corresponding quarter last year. The EBITDA for the quarter was Rs 4,039 million compared to Rs 4,213 million in the corresponding prior year quarter, a decrease of 4%. The EBITDA margin for this segment was 42.4%. The EBIT was Rs 1,803 million as compared to Rs 2,126 million for the quarter ended September 30, 2011, a decline of 15%.

Capital Expenditure

During the quarter ended September 30, 2012, the Company incurred a capital expenditure of Rs 1,492 million in Telemedia Services.

Digital TV Services

Customer Base and ARPU

As on September 30, 2012, the Company had its Digital TV operations in 632 districts. The number of customers stood at 7.5 million customers as on September 30, 2012. The ARPU for the quarter was Rs 177 (US\$ 3.2) per month. The improvement in ARPU has been achieved through product innovations and up-selling.

Revenues, EBITDA and EBIT

For the quarter ended September 30, 2012, the revenues from Digital TV operations of Rs 3,937 million represented a growth of 26% over the corresponding quarter last year. The EBITDA for the quarter was Rs 33 million representing a decline of 72% over the corresponding quarter last year. The EBITDA margin for this segment was 0.8% for the quarter ended September 30, 2012. The EBIT loss for the quarter was Rs 2,228 million as compared to loss of Rs 1,806 million for the quarter ended September 30, 2011.

Capital Expenditure

During the quarter ended September 30, 2012, the Company incurred a capital expenditure of Rs 1,630 million in Digital TV Services.

B2B Services – India & South Asia

Airtel Business

Revenues, EBITDA and EBIT

The revenues for the quarter ended September 30, 2012 for Airtel Business stood at Rs 13,934 million, a healthy growth of 26% over the corresponding quarter last year. The revenue from this segment contributed to 9.7% of the total revenues of India and South Asia. The EBITDA during the quarter ended September 30, 2012 was Rs 2,148 million, a decline of 9% over the corresponding quarter last year. The EBITDA margin for the quarter ended September 30, 2012 was 15.4%. The EBIT for the quarter ended September 30, 2012 was Rs 770 million as compared to Rs 1,051 million for the quarter ended September 30, 2011, a decline of 27%. With the transition from capex to opex model, the Company believes that EBIT and Operating Free Cash Flow are the right measures of profitability for this business.

With favorable exchange rate, the Company has been able to offer competitive prices in the international market. This has resulted in garnering higher traffic market share.

Capital Expenditure

During the quarter ended September 30, 2012, the Company incurred a capital expenditure of Rs 458 million in Airtel

Business. The segment contributed a healthy Operating Free Cash Flow of Rs 1,690 million; at 12.1% of revenues, this reflects a strong cash generating business.

Tower Infrastructure Services

Revenues, EBITDA and EBIT

The revenues for the quarter ended September 30, 2012 for Tower Infrastructure Services were Rs 25,567 million, a growth of 8% over the corresponding quarter last year. The EBITDA during the quarter ended September 30, 2012 was Rs 9,577 million representing a growth of 8% over the quarter ended September 30, 2011. The EBITDA margin for the quarter ended September 30, 2012 was 37.5%. The EBIT for the quarter ended September 30, 2012 was Rs 4,090 million as compared to Rs 3,520 million for the quarter ended September 30, 2011, a growth of 16.2%.

Capital Expenditure

During the quarter ended September 30, 2012, the Company incurred a capital expenditure of Rs 5,679 million in Tower Infrastructure Services.

Towers and Sharing Operators

As at the end of the quarter, Bharti Infratel had 34,220 towers and average sharing factor of 1.81 times. As at the end of the quarter, Indus Towers had 110,561 towers and average sharing factor of 1.98 times.

Mobile Services – Africa

Economic headwinds still prevail in many African countries, whose economies are adjusting to lower levels of aid and grants. The telecom market witnessed intense competitive activities including aggressive pricing by market leaders as well as enhanced participation by newer players.

The Company has heightened growth stimuli through further promotions and affordable services which have reflected in increased traffic growth.

Customer Base, ARPU and MoU

At the end of the quarter ended September 30, 2012, the Company had 58.7 million GSM mobile customers on its network. During the quarter, the Company added 2.8 million

customers. The ARPU for the quarter was US\$ 6.4 per month. The blended monthly voice usage per customer, during the quarter was 138 minutes, reflecting a significant improvement from usage level of 120 minutes in the previous quarter.

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 13.0% of the total revenues of the segment.

The Company now offers its low-cost, innovative airtel money service in 15 African countries. The Company has so far launched 3G in 11 countries with roll out of 5,347 sites. The number of 2G sites has also increased by 17% to 15,979 over September 30, 2011.

Revenues, EBITDA and EBIT

During the quarter, in local currency terms, the Company's revenue in Africa grew by 13% over the corresponding period last year. In Rupee terms, Africa revenue came in at Rs 60,512 million representing a strong growth of 29% over last year, helping to lift the overall consolidated growth of the Company.

EBITDA in Rupee terms of Rs 16,413 million grew by 32% over the corresponding period last year, resulting from strong growth in revenues, improved margin and favourable currency movements. The EBITDA margin has improved to 27.1% from 26.4% in the corresponding quarter last year.

EBIT for the quarter ended September 30, 2012 was Rs 4,397 million representing a growth of 17% over the corresponding quarter last year.

Net Income

The net loss for the quarter came in at Rs 5,388 million, impacted by higher depreciation and finance costs.

Capital Expenditure

During the quarter ended September 30, 2012, the Company incurred a capital expenditure of Rs 11,592 million on its African operations. The resultant Operating Free Cash Flow in Africa was at Rs 4,821 million, reflecting sustained positive cash generation for the last four quarters.

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:

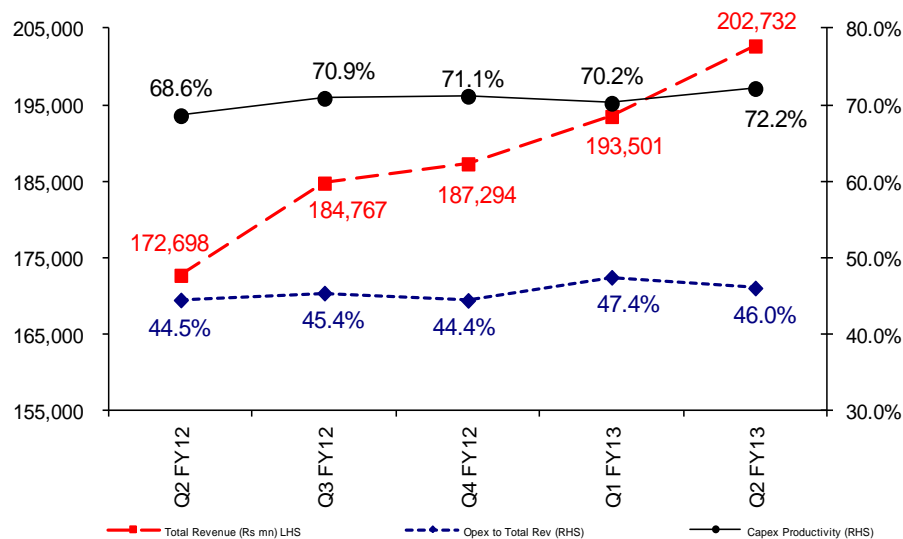
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – operating expenses divided by the total revenues for the respective period. Operating expenses is the sum of (i) equipment costs (ii) employee costs (iii) network operations costs & (iv)

selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company

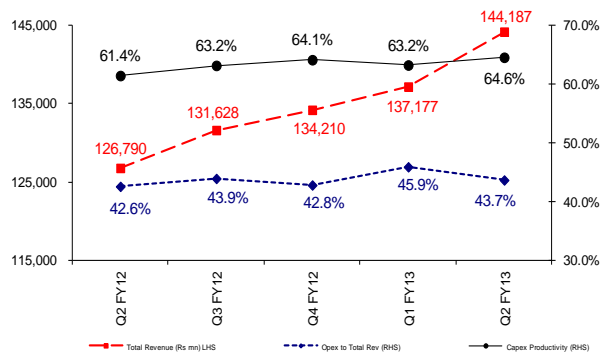
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

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

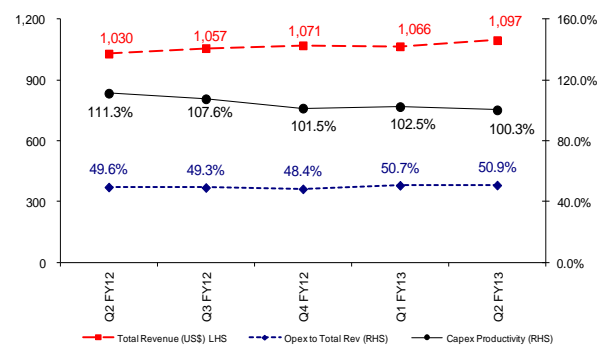
5.4.1 Bharti Airtel Consolidated



5.4.2 Bharti Airtel - India & South Asia



5.4.3 Bharti Airtel – Africa



SECTION 6

STOCK MARKET HIGHLIGHTS

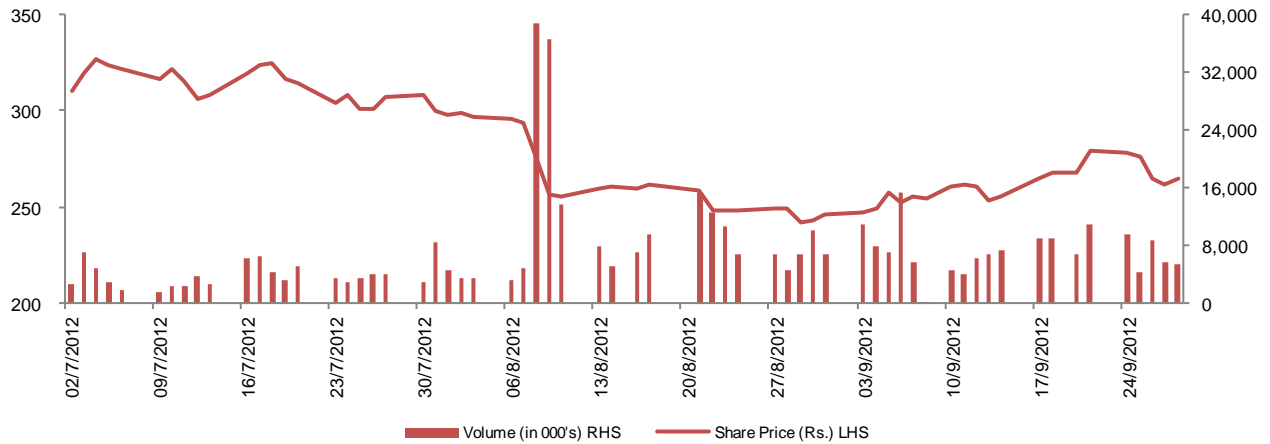
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (28/09/12)	Mn Nos	3,797.53
Closing Market Price - BSE (28/09/12)	Rs /Share	264.85
Combined Volume (NSE & BSE) (02/07/12-28/09/12)	Nos in Mn/day	7.15
Combined Value (NSE & BSE) (02/07/12-28/09/12)	Rs bn /day	1.95
Market Capitalization	Rs bn	1,006
Market Capitalization	US\$ bn	19.09
Book Value Per Equity Share	Rs /share	129.84
Market Price/Book Value	Times	2.04
Enterprise Value	Rs bn	1,673
Enterprise Value	US\$ bn	31.75
Enterprise Value/ Annualised Q2 Revenue	Times	2.06
Enterprise Value/ Annualised Q2 EBITDA	Times	6.59

6.2 Summarized Shareholding pattern as of September 30, 2012

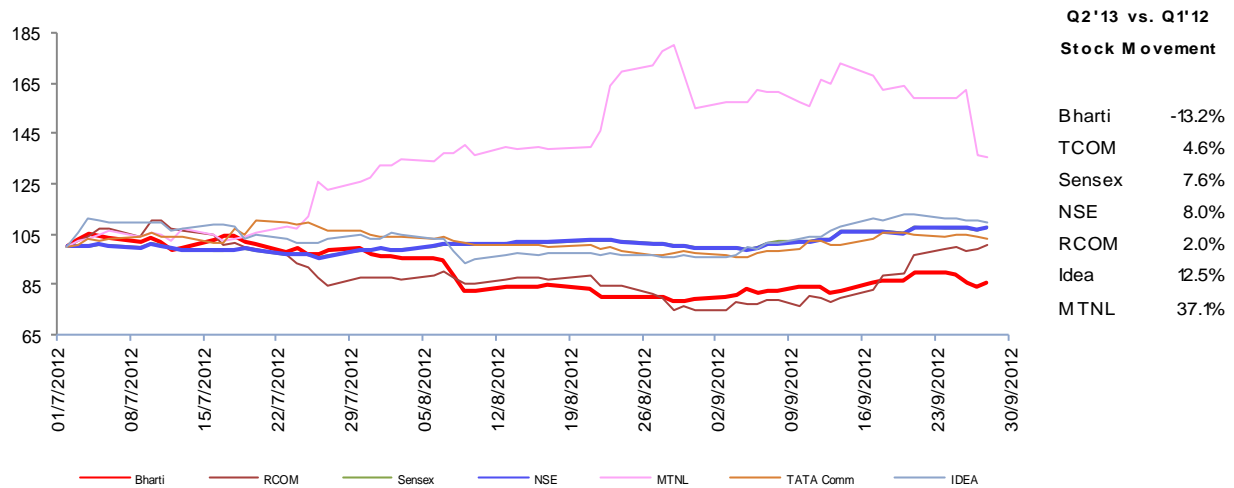
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,735,453,890	45.70%
Foreign	865,673,286	22.80%
Sub total	2,601,127,176	68.50%
Public Shareholding		
Institutions	945,853,864	24.91%
Non-institutions	250,549,056	6.60%
Sub total	1,196,402,920	31.50%
Total	3,797,530,096	100.00%

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



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			Half Year Ended		
	Sep 2012	Sep 2011	Y-on-Y Growth	Sep 2012	Sep 2011	Y-on-Y Growth
Revenue	202,732	172,698	17%	396,233	342,447	16%
Other operating income	98	66	48%	216	145	49%
Operating expenses	(139,322)	(114,613)	22%	(274,454)	(227,382)	21%
Depreciation & amortisation	(38,560)	(31,839)	21%	(76,131)	(63,153)	21%
Profit / (Loss) from operations	24,948	26,312	-5%	45,864	52,057	-12%
Share of results of associates	-	-		(76)	-	
Profit / (Loss) before interest and tax	24,948	26,312	-5%	45,788	52,057	-12%
Finance income	3,600	2,480	45%	6,218	3,176	96%
Finance costs	(13,819)	(13,666)	1%	(24,648)	(22,912)	8%
Profit / (Loss) before tax	14,729	15,126	-3%	27,358	32,321	-15%
Income tax income/(expense)	(7,714)	(4,900)	57%	(12,592)	(10,041)	25%
Net income / (loss) for the period	7,015	10,226	-31%	14,766	22,280	-34%
Income Attributable to :						
Equity holders of the parent	7,212	10,270	-30%	14,834	22,422	-34%
Non controlling interests	(197)	(44)	348%	(68)	(142)	-52%
Net Income / (Loss)	7,015	10,226	-31%	14,766	22,280	-34%
Earning Per Share						
Basic, profit attributable to equity holders of parent (In Rs)	1.90	2.71		3.91	5.91	
Diluted, profit attributable to equity holders of parent (In Rs)	1.90	2.71		3.91	5.91	

7.1.2 Consolidated Statement of Comprehensive Income

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep 2012	Sep 2011	Y-on-Y Growth	Sep 2012	Sep 2011	Y-on-Y Growth
Net income / (loss) for the period	7,015	10,226	-31%	14,766	22,280	-34%
Exchange differences on translation of foreign operations	(3,996)	(20,167)	-80%	(22,706)	(21,348)	6%
Total comprehensive income / (loss) for the period, net of tax	3,019	(9,941)	-130%	(7,940)	932	-952%
Total comprehensive income / (loss) attributable to :						
Equity holders of the parent	3,041	(9,886)	-131%	(8,019)	1,045	-867%
Non controlling interests	(22)	(55)	-60%	79	(113)	-170%
Total Comprehensive Income / (Loss)	3,019	(9,941)	-130%	(7,940)	932	-952%

7.1.3 Consolidated Statement of Financial Position

Particulars	<i>Amount in Rs mn</i>	
	As at Sep 30, 2012	As at Mar 31, 2012
Assets		
Non-current assets		
Property, plant and equipment	687,485	674,932
Intangible assets	678,691	660,889
Investment in associates	-	24
Derivative financial assets	3,327	2,756
Other financial assets	16,153	17,086
Other non - financial assets	17,563	15,568
Deferred tax asset	56,197	51,277
	1,459,416	1,422,532
Current assets		
Inventories	1,355	1,308
Trade and other receivable	77,332	63,735
Derivative financial assets	1,606	2,137
Prepayments and other assets	37,537	32,621
Income tax recoverable	7,104	9,049
Short term investments	16,303	18,132
Other financial assets	1,011	802
Cash and cash equivalents	17,900	20,300
	160,148	148,084
Total assets	1,619,564	1,570,616
Equity and liabilities		
Equity		
Issued capital	18,988	18,988
Treasury shares	(779)	(282)
Share premium	56,499	56,499
Retained earnings / (deficit)	406,104	395,682
Foreign currency translation reserve	(28,879)	(6,026)
Other components of equity	41,137	41,252
Equity attributable to equity holders of parent	493,070	506,113
Non-controlling interest	26,752	27,695
Total equity	519,822	533,808
Non-current liabilities		
Borrowing	559,293	497,154
Deferred revenue	9,135	2,892
Provisions	8,435	7,240
Derivative financial liabilities	593	401
Deferred tax liability	14,273	11,621
Other financial liabilities	24,683	23,076
Other non - financial liabilities	3,549	5,551
	619,961	547,935
Current liabilities		
Borrowing	145,856	193,078
Deferred revenue	36,283	43,282
Provisions	1,745	1,290
Other non - financial liabilities	15,694	10,811
Derivative financial liabilities	499	166
Income tax liabilities	3,468	7,596
Trade & other payables	276,236	232,650
	479,781	488,873
Total liabilities	1,099,742	1,036,808
Total equity and liabilities	1,619,564	1,570,616

7.1.4 Consolidated Statement of Cash Flows

Particulars	<i>Amount in Rs mn</i>	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Cash flows from operating activities		
Profit before tax	14,729	27,358
Adjustments for -		
Depreciation and amortization	38,560	76,131
Finance income	(3,600)	(5,318)
Finance cost	13,819	23,748
Share of results of associated companies (post tax)	0	76
Amortization of stock based compensation	24	114
Other non-cash items	233	357
Operating cash flow before changes in assets and liabilities	63,765	122,466
Trade & other receivables and prepayments	(10,065)	(20,061)
Inventories	(53)	(19)
Trade and other payables	3,539	32,209
Change in provision	291	897
Other financial and non financial liabilities	(550)	(1,778)
Other financial and non financial assets	1,915	2,342
Cash generated from operations	58,841	136,056
Interest received	690	799
Income tax paid	(10,187)	(17,331)
Net cash inflow from operating activities	49,344	119,524
Cash flows from investing activities		
Proceeds/(Purchase) of property, plant and equipment	(34,702)	(62,787)
Purchase of intangible assets	(1,003)	(2,160)
Short term investments (Net)	17,269	2,993
Investment in associate / joint venture ¹⁹	3,379	(5,902)
Loan to associates	(40)	(100)
Net cash outflow from investing activities	(15,098)	(67,956)
Cash flows from financing activities		
Proceeds from issuance of borrow ings	64,820	160,268
Repayment of borrow ings	(90,744)	(188,089)
Short term borrow ings (net)	(345)	(2,640)
Purchase of Treasury stock	(762)	(762)
Interest paid	(9,078)	(19,518)
Proceeds from exercise of stock options	33	44
Dividend paid (including tax) to Company's shareholders	(4,412)	(4,412)
Dividend paid (including tax) to non - controlling interests	(929)	(1,029)
Net cash inflow / (outflow) from financing activities	(41,417)	(56,138)
Net (decrease) / increase in cash and cash equivalents during the period	(7,171)	(4,570)
Effect of exchange rate changes on cash and cash equivalents	1,670	(762)
Add : Balance as at the Beginning of the period	8,207	8,037
Balance as at the end of the period	2,705	2,705

Note 18: Cash and Cash Equivalents is excluding bank overdraft

Note 19: In the quarter ended June 30, 2012, investment of Rs 9,281 million in Qualcomm Indian BWA entities was accounted as an investment in associate. During the quarter ended September 30, 2012, based on the developments in the operational front, the investment is now being treated as Joint Venture, resulting in investment being accounted on proportionate consolidation basis. Consequently, the proportionate share of cash balance on the date of acquisition has been disclosed as cash inflow.

7.2 Schedules to Financial Statements

7.2.1 India & South Asia

7.2.1.1 Schedule of Operating Expenses

Particulars	<i>Amount in Rs mn</i>	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Access charges	20,342	37,208
Licence fees, revenue share & spectrum charges	13,867	27,736
Network operations costs	36,390	71,783
Cost of goods sold	240	561
Employee costs	5,220	10,320
Selling, general and administration expense	21,116	43,282
Operating Expenses	97,175	190,890

7.2.1.2 Schedule of Depreciation & Amortization

Particulars	<i>Amount in Rs mn</i>	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Depreciation	23,369	46,419
Amortization	3,176	6,177
Depreciation and Amortization	26,545	52,596

7.2.1.3 Schedule of Income Tax

Particulars	<i>Amount in Rs mn</i>	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Current tax expense	5,637	11,264
Deferred tax expense / (income)	562	(1,352)
Dividend distribution tax (DDT)	657	657
Income tax expense	6,856	10,569

7.2.2 Africa

7.2.2.1 Schedule of Operating Expenses

Particulars	Amount in US\$ mn	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Access charges	193	399
Licence fees, revenue share & spectrum charges	47	92
Network operations costs	181	369
Cost of goods sold	23	43
Employee costs	90	170
Selling, general and administration expense	265	518
Operating Expenses	799	1,591

7.2.2.2 Schedule of Depreciation & Amortization

Particulars	Amount in US\$ mn	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Depreciation	153	302
Amortization	65	129
Depreciation and Amortization	218	431

7.2.2.3 Schedule of Income Tax

Particulars	Amount in US\$ mn	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Current tax expense	33	69
Withholding taxes (WHT)	5	11
Deferred tax expense / (income)	(23)	(44)
Income tax expense	15	36

7.3 Consolidated Schedule of Net Debt & Finance Cost

7.3.1 Schedule of Net Debt in INR

Particulars	Amount in Rs mn	
	As at Sep 30, 2012	As at Mar 31, 2012
Long term debt, net of current portion	559,293	497,154
Short-term borrowings and current portion of long-term debt	145,857	193,079
Less:		
Cash and Cash Equivalents	17,899	20,300
Restricted Cash	1,074	989
Restricted Cash, non-current	2,273	417
Short term investments	16,303	18,132
Net Debt ²⁰	667,600	650,394

7.3.2 Schedule of Net Debt in US\$

Particulars	Amount in US \$ mn	
	As at Sep 30, 2012	As at Mar 31, 2012
Long term debt, net of current portion	10,613	9,718
Short-term borrowings and current portion of long-term debt	2,768	3,774
Less:		
Cash and Cash Equivalents	340	397
Restricted Cash	20	19
Restricted Cash, non-current	43	8
Short term investments	309	354
Net Debt ²⁰	12,669	12,714

Note 20: Net debt as on Sep 30, 2012 includes Rs 23,719 million (US\$ 450 million), representing 49% of the net debt of the Qualcomm subsidiaries, into which the Company had acquired stakes in May, 2012.

7.3.3 Schedule of Finance Cost

Particulars	Amount in Rs mn	
	Quarter Ended Sep 30, 2012	Half Year Ended Sep 30, 2012
Interest on borrowings & Finance charges	11,644	22,422
Derivatives and exchange (gain)/loss	250	(1,356)
Investment Income	(1,675)	(2,638)
Finance cost (net)	10,219	18,428

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 34
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit / (Loss) from Operating Activities	Page 34
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

Particulars	Amount in Rs mn	
	Quarter Ended Sep 2012	Half Year Ended Sep 2012
Profit / (Loss) from Operating Activities To EBITDA		
Profit / (Loss) from Operating Activities	24,948	45,864
Add: Depreciation and Amortization	38,560	76,131
EBITDA	63,508	121,995
Reconciliation of Finance Cost		
Finance Cost	13,819	24,648
Finance Income	(3,600)	(6,218)
Finance Cost (net)	10,219	18,430
Profit / (Loss) from Operating Activities to Cash Profit from Operations before Derivative & Exchange Fluctuation		
Profit / (Loss) from Operating Activities	24,948	45,864
Add: Depreciation and Amortization	38,560	76,131
Less: Finance Cost (net)	10,219	18,430
Add: Derivatives and exchange (gain)/loss	250	(1,355)
Cash Profit from Operations	53,539	102,210

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				
	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
Total Revenues	202,732	193,501	187,294	184,767	172,698
Access and interconnection charges	29,526	27,045	25,658	26,235	23,310
Operating Expenses (Excl Access Charges & License Fee)	93,327	91,788	83,183	83,826	76,794
Licence Fee	16,469	16,300	16,218	15,434	14,508
EBITDA	63,508	58,487	62,329	59,584	58,151
Cash profit from operations before Derivative and Exchange Fluctuations	53,539	48,671	53,581	51,576	49,356
Profit / (Loss) before tax	14,729	12,629	17,056	15,806	15,126
Net income	7,212	7,622	10,059	10,113	10,270

	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
As a % of Total Revenues					
Access and interconnection charges	14.6%	14.0%	13.7%	14.2%	13.5%
Operating Expenses (Excl Access Charges & License Fee)	46.0%	47.4%	44.4%	45.4%	44.5%
Licence Fee	8.1%	8.4%	8.7%	8.4%	8.4%
EBITDA	31.3%	30.2%	33.3%	32.2%	33.7%
Cash profit from operations before Derivative and Exchange Fluctuations	26.4%	25.2%	28.6%	27.9%	28.6%
Profit / (Loss) before tax	7.3%	6.5%	9.1%	8.6%	8.8%
Net income	3.6%	3.9%	5.4%	5.5%	5.9%

India & South Asia

Amount in Rs mn

Parameters	For the Quarter Ended				
	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
Total Revenues	144,187	137,177	134,210	131,628	126,790
Access and interconnection charges	20,342	16,866	15,720	15,371	14,594
Operating Expenses (Excl Access Charges & License Fee)	62,966	62,980	57,462	57,824	53,991
Licence Fee	13,867	13,868	13,829	13,371	12,547
EBITDA	47,097	43,584	47,352	45,225	45,728
Profit / (Loss) before tax ²¹	19,716	18,416	18,606	16,955	19,005
Net income ²¹	12,601	14,293	13,472	12,703	14,519

	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
As a % of Total Revenues					
Access and interconnection charges	14.1%	12.3%	11.7%	11.7%	11.5%
Operating Expenses (Excl Access Charges & License Fee)	43.7%	45.9%	42.8%	43.9%	42.6%
Licence Fee	9.6%	10.1%	10.3%	10.2%	9.9%
EBITDA	32.7%	31.8%	35.3%	34.4%	36.1%
Profit / (Loss) before tax	13.7%	13.4%	13.9%	12.9%	15.0%
Net income	8.7%	10.4%	10.0%	9.7%	11.5%

Note 21: Figures for the quarter ended June 30, 2012 have been restated to give effect to few changes in consolidation of overseas subsidiaries with no effect on consolidated figures.

Africa

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
Total Revenues	1,097	1,066	1,071	1,057	1,030
Access and interconnection charges	193	206	208	216	206
Operating Expenses (Excl Access Charges & License Fee)	558	541	518	521	511
Licence Fee	47	45	48	41	43
EBITDA	298	275	298	282	270
Profit / (Loss) before tax	(90)	(108)	(30)	(26)	(87)
Net income	(97)	(124)	(67)	(52)	(95)
Interest expense on acquisition loans	46	47	50	43	45
Net income from operations	(51)	(77)	(17)	(9)	(50)

Parameters	For the Quarter Ended				
	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
Exchange Fluctuation Impact					
Reported revenues (US \$)	1,097	1,066	1,071	1,057	1,030
a. Qo Q growth (%)	2.84%	-0.45%	1.30%	2.62%	5.27%
b. Impact of exchange fluctuation (%) ²²	-0.89%	-1.56%	-1.40%	-2.28%	-1.87%
c. Qo Q growth in constant currency (%) (a - b)	3.73%	1.12%	2.71%	4.90%	7.14%
Revenues in constant currency (US \$) ²³	1,097	1,057	1,045	1,018	970

Note 22: Based on QoQ variation and weighted on the revenues of each country for the current quarter

Note 23: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended September '12.

	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
As a % of Total Revenues					
Access and interconnection charges	17.6%	19.3%	19.4%	20.4%	20.0%
Operating Expenses (Excl Access Charges & License Fee)	50.9%	50.7%	48.4%	49.3%	49.6%
Licence Fee	4.3%	4.2%	4.4%	3.9%	4.2%
EBITDA	27.2%	25.8%	27.8%	26.7%	26.2%
Profit / (Loss) before tax	-8.2%	-10.1%	-2.8%	-2.5%	-8.5%
Net income from operations	-4.6%	-7.2%	-1.7%	-0.9%	-4.9%

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				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	111,170	106,848	105,096	101,764	97,827
EBITDA	34,437	32,350	35,696	34,431	32,926
<i>EBITDA / Total revenues</i>	<i>31.0%</i>	<i>30.3%</i>	<i>34.0%</i>	<i>33.8%</i>	<i>33.7%</i>
EBIT	18,438	17,012	21,415	20,176	19,775
Capex	17,345	19,411	4,745	1,878	12,011
Operating Free Cash Flow	17,092	12,939	30,951	32,554	20,914
Cumulative Investments	747,459	711,311	678,860	674,005	665,785

Note 24: Effective quarter ended Jun'12, 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				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	9,529	9,442	9,159	9,128	9,528
EBITDA	4,039	3,809	3,777	3,542	4,213
<i>EBITDA / Total revenues</i>	<i>42.4%</i>	<i>40.3%</i>	<i>41.2%</i>	<i>38.8%</i>	<i>44.2%</i>
EBIT	1,803	1,333	1,540	1,287	2,126
Capex	1,492	2,081	1,496	1,470	1,348
Operating Free Cash Flow	2,547	1,728	2,281	2,072	2,865
Cumulative Investments	96,817	95,305	93,317	91,792	90,336

Note 25: Effective quarter ended Jun'12, 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				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	3,937	3,658	3,565	3,327	3,135
EBITDA	33	(23)	209	90	116
<i>EBITDA / Total revenues</i>	<i>0.8%</i>	<i>-0.6%</i>	<i>5.9%</i>	<i>2.7%</i>	<i>3.7%</i>
EBIT	(2,228)	(2,265)	(1,944)	(1,955)	(1,806)
Capex	1,630	3,241	981	1,503	2,610
Operating Free Cash Flow	(1,597)	(3,264)	(772)	(1,413)	(2,494)
Cumulative Investments	37,876	35,402	32,980	32,586	31,522

Airtel Business

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	13,934	11,906	11,209	11,881	11,042
EBITDA	2,148	1,963	1,631	2,008	2,371
<i>EBITDA / Total revenues</i>	<i>15.4%</i>	<i>16.5%</i>	<i>14.5%</i>	<i>16.9%</i>	<i>21.5%</i>
EBIT	770	591	181	713	1,051
Capex	458	166	338	458	116
Operating Free Cash Flow	1,690	1,797	1,293	1,550	2,255
Cumulative Investments	42,268	42,927	42,493	44,404	43,676

Tower Infrastructure Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	25,567	24,048	24,183	24,393	23,766
EBITDA	9,577	8,788	9,346	9,110	8,902
<i>EBITDA / Total revenues</i>	37.5%	36.5%	38.6%	37.3%	37.5%
EBIT	4,090	3,420	3,930	3,758	3,520
Capex	5,679	4,283	3,427	2,440	3,743
Operating Free Cash Flow	3,898	4,504	5,919	6,670	5,159
Cumulative Investments	243,664	238,467	234,730	231,533	229,486

Others

Amount in Rs mn

Particulars	Quarter Ended				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	946	817	738	666	859
EBITDA	(2,249)	(2,495)	(2,505)	(3,139)	(1,969)
EBIT	(2,336)	(2,624)	(2,631)	(3,243)	(2,118)
Capex	2,353	126	13	66	787
Operating Free Cash Flow	(4,602)	(2,621)	(2,519)	(3,205)	(2,756)
Cumulative Investments	9,576	7,365	7,013	9,690	9,322

Africa - Comprises of 17 country operations in Africa.

Amount in US\$ mn except ratios

Particulars	Quarter Ended				
	Sep 2012	Jun 2012	Mar 2012	Dec 2011	Sep 2011
Total revenues	1,097	1,066	1,071	1,057	1,030
EBITDA	298	275	298	282	270
<i>EBITDA / Total revenues</i>	27.2%	25.8%	27.8%	26.7%	26.2%
EBIT	80	62	102	58	81
Capex	210	119	254	265	575
Operating Free Cash Flow	88	156	44	17	(305)
Cumulative Investments	13,274	13,041	13,432	13,049	12,889

A.1.3 Based on Statement of Financial Position

Consolidated

Amount in Rs mn

Parameters	As at				
	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
Equity attributable to equity holders of parent	493,070	495,150	506,113	491,733	484,486
Net Debt	667,600	682,983	650,394	677,628	644,298
Net Debt (US \$)	12,669	12,129	12,714	12,722	13,169
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,160,670	1,178,133	1,156,507	1,169,361	1,128,784

Parameters	Sep-12	Jun-12	Mar-12	Dec-11	Sep-11
Return on Equity attributable to equity holders of parent (LTM)	7.1%	7.7%	8.6%	9.5%	10.3%
Return on Capital Employed (LTM)	6.2%	6.6%	7.2%	7.3%	7.9%
Net Debt to EBITDA (LTM) - US \$	2.72	2.54	2.56	2.58	2.70
Net Debt to EBITDA (Annualised) - US \$	2.75	2.80	2.56	2.71	2.59
Assets Turnover ratio (LTM)	69.7%	68.6%	67.3%	64.8%	61.8%
Interest Coverage ratio (times)	6.40	6.29	7.55	8.08	8.74
Net debt to Equity attributable to equity holders of parent (Times)	1.35	1.38	1.29	1.38	1.33
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	1.90	2.01	2.65	2.66	2.71
Net profit/(loss) per diluted share (in Rs)	1.90	2.01	2.65	2.66	2.71
Book Value Per Equity Share (in Rs)	129.8	130.4	133.3	129.5	127.6
Market Capitalization (Rs. bn)	1,006	1,158	1,279	1,302	1,436
Enterprise Value (Rs. bn)	1,673	1,841	1,929	1,980	2,080

A.1.4 Operational Performance – India

Parameters	Unit	Sep 30, 2012 ²⁶	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Total Customers Base	000's	196,652	197,974	191,777	186,039	182,725
Mobile Services						
Customer Base	000's	185,922	187,302	181,279	175,653	172,783
VLR	%	91.5%	90.8%	91.7%	90.0%	88.6%
Net Additions	000's	(1,380)	6,023	5,626	2,870	3,595
Pre-Paid (as a % of total Customer Base)	%	96.0%	96.2%	96.3%	96.3%	96.3%
Monthly Churn	%	8.5%	8.8%	8.8%	7.9%	7.2%
Average Revenue Per User (ARPU)	Rs	177	185	189	187	183
Average Revenue Per User (ARPU)	US\$	3.2	3.4	3.8	3.7	4.0
Total Revenue / Minutes on Network	paisa	42.6	42.7	43.8	44.6	43.2
Revenue per site per month	Rs	260,380	275,647	280,332	274,637	266,165
Voice						
Minutes on the network	Mn	234,224	239,338	230,365	219,152	217,408
Voice Average Revenue Per User (ARPU)	Rs	148	154	158	157	153
Voice Usage per customer	min	417	433	431	419	423
Voice Realization per minute	paisa	35.4	35.7	36.7	37.5	36.2
Non Voice Revenue						
% of Mobile revenues	%	16.8%	16.3%	16.2%	15.8%	16.1%
Of Which						
Messaging & VAS as % of Mobile revenues	%	10.1%	10.8%	11.0%	11.3%	12.2%
Data as % of Mobile revenues	%	5.2%	4.3%	4.1%	3.5%	3.1%
Others as % of Mobile revenues	%	1.5%	1.2%	1.1%	1.0%	0.8%
Data						
Data Customer Base	000's	40,600	38,660	35,780	NA	NA
Of which no. of 3G data customers	000's	4,014	3,713	2,711	NA	NA
As % of Customer Base	%	21.8%	20.6%	19.7%	NA	NA
Total MBs on the network	Mn MBs	15,879	12,566	10,006	NA	NA
Data Average Revenue Per User (ARPU)	Rs	43	40	44	NA	NA
Data Usage per customer	MBs	133	112	107	NA	NA
Data Realization per MB	paisa	32.4	35.3	40.9	NA	NA
Telemedia Services						
Telemedia Customers	000's	3,275	3,272	3,270	3,317	3,328
Of which no. of Broadband (DSL) customers	000's	1,380	1,371	1,369	1,357	1,398
As % of Customer Base	%	42.1%	41.9%	41.9%	40.9%	42.0%
Net Additions	000's	3	2	(47)	(11)	7
Average Revenue Per User (ARPU)	Rs	971	962	933	916	955
Average Revenue Per User (ARPU)	US\$	17.6	17.8	18.6	18.1	20.9
Non Voice Revenue as % of Telemedia Revenues	%	55.4%	54.3%	55.8%	54.8%	52.1%
Digital TV						
Digital TV Customers	000's	7,455	7,400	7,228	7,069	6,614
Net additions	000's	55	172	159	455	352
Average Revenue Per User (ARPU)	Rs	177	166	166	160	161
Average Revenue Per User (ARPU)	US\$	3.2	3.1	3.3	3.2	3.5
Monthly Churn	%	1.9%	1.7%	1.2%	1.2%	1.2%

Note 26: In the quarter ended Sep 30, 2012, the Group was awarded a favourable order by TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements, for which accounting has been recognized, and for which KPI parameters reflect only the proportion applicable to the quarter ended Sep 30, 2012 with no prior period adjustments.

A.1.5 Traffic Trends – India

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Mobile Services	Mn Min	234,224	239,338	230,365	219,152	217,408
Telemedia Services	Mn Min	4,156	4,162	4,145	4,186	4,598
National Long Distance Services	Mn Min	22,997	22,241	21,588	20,551	20,305
International Long Distance Services	Mn Min	4,340	3,362	3,518	3,529	3,519
Total Minutes on Network (Gross)	Mn Min	265,717	269,103	259,615	247,418	245,831
Eliminations	Mn Min	(23,282)	(22,525)	(21,926)	(20,904)	(20,660)
Total Minutes on Network (Net)	Mn Min	242,435	246,578	237,688	226,514	225,171

A.1.6 Coverage and Network Trends - India

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Mobile Services						
Census Towns	Nos	5,121	5,121	5,118	5,116	5,115
Non-Census Towns & Villages	Nos	457,053	455,575	454,302	453,294	453,148
Population Coverage	%	86.6%	86.5%	86.4%	86.4%	86.3%
Optic Fibre Network	R Kms	162,457	159,762	157,886	154,744	151,719
Sites on Network	Nos	129,411	126,010	120,905	119,044	118,011
<i>Of which no. of 3G sites</i>	Nos	20,333	18,012	16,162	14,751	12,979
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	632	616	609	587	582
Coverage	%	99%	96%	95%	92%	91%

A.1.7 Tower Infrastructure Services ³⁰

A.1.7.1 Bharti Infratel Consol

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Total Towers ²⁷	Nos	80,656	79,452	79,064	79,012	78,859
Total Co-locations ²⁷	Nos	154,296	151,458	149,908	148,701	146,548
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	34,449	33,388	34,824	35,021	34,576
Average Sharing Factor	Times	1.91	1.90	1.89	1.87	1.85

Note 27: Represents the sum of the number of towers (and the co-locations thereof) owned and operated by Bharti Infratel (as set forth in table A.1.7.2) and 42% of the number of towers (and the co-locations thereof) owned and operated by Indus and includes the towers (and the co-locations thereof) operated by Indus pursuant to the Indefeasible Right to use agreements.

A.1.7.2 Bharti Infratel Standalone

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Total Towers ²⁸	Nos	34,220	33,446	33,147	33,094	32,993
Total Co-locations ²⁸	Nos	62,027	60,714	60,160	60,357	59,366
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	36,839	36,170	37,151	37,493	36,293
Average Sharing Factor	Times	1.81	1.82	1.82	1.81	1.79

Note 28: Represents Total Towers (and the co-locations thereof) owned and operated by Bharti Infratel and excludes the towers (and the co-locations thereof) operated by Indus pursuant to the Indefeasible Right to use agreements.

A.1.7.3 Indus Towers

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Total Towers ²⁹	Nos	110,561	109,539	109,325	109,328	109,204
Total Co-locations ²⁹	Nos	219,687	216,058	213,685	210,343	207,575
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	31,711	29,777	32,114	32,083	31,117
Average Sharing Factor	Times	1.98	1.96	1.94	1.91	1.89

Note 29: Represents Total towers (and the co-locations thereof) owned and operated by Indus and includes the towers (and the co-locations thereof) operated by Indus pursuant to the Indefeasible Right to use agreements.

Note 30: During the quarter ended Sep 30, 2012, the Company has changed the nomenclature and definitions of Tower infrastructure operational & financial performance indicators to reflect the globally used tower companies' terminologies. The revised definitions are enclosed as part of Glossary and wherever necessary the previous quarter figures have been restated accordingly so as to conform to the revised definitions.

A.1.8 Human Resource Analysis - India

Parameters	Unit	Sep 30, 2012 26	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Consolidated						
Total Employees ³¹	Nos	15,579	15,256	14,935	15,141	15,611
Number of Customers per employee	Nos	12,623	12,977	12,841	12,287	11,705
Personnel Cost per employee per month	Rs	118,425	118,119	110,252	104,443	116,451
Gross Revenue per employee per month ³¹	Rs	2,896,814	2,935,716	2,937,785	2,843,124	2,661,360

Note 31: Total Employee count of India includes proportionate consolidation of 42% of Indus towers employees. Also refer to note 26.

A.1.9 Operational Performance – Africa

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Customer Base	000's	58,667	55,855	53,140	50,949	48,437
VLR	%	85.8%	85.3%	84.5%	87.4%	87.1%
Net Additions	000's	2,812	2,715	2,191	2,512	2,131
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%	99.3%	99.3%	99.3%
Monthly Churn	%	5.1%	5.1%	5.3%	5.4%	6.1%
Average Revenue Per User (ARPU)	US\$	6.4	6.5	6.8	7.1	7.3
Total Revenue / Minutes on Network	USc	4.6	5.4	5.6	5.7	5.7
Revenue per site per month	US\$	22,872	23,134	24,522	25,225	25,836
Voice						
Minutes on the network	Mn	23,646	19,651	19,131	18,496	17,950
Voice Average Revenue Per User (ARPU)	US\$	5.5	5.7	6.1	6.5	6.5
Voice Usage per customer	min	138	120	122	125	128
Voice Realization per minute	USc	4.0	4.7	5.0	5.2	5.1
Non Voice Revenue						
% of Mobile revenues	%	13.0%	12.9%	10.6%	9.4%	10.7%
Of Which						
Messaging & VAS as % of Mobile revenues	%	6.9%	7.0%	5.6%	5.3%	6.0%
Data as % of Mobile revenues	%	3.6%	3.4%	3.2%	2.5%	2.7%
Others as % of Mobile revenues	%	2.5%	2.5%	1.8%	1.6%	2.0%

A.1.10 Operational Performance – Africa (in constant currency)

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Average Revenue Per User (ARPU)	US\$	6.4	6.5	6.7	6.9	6.9
Total Revenue / Minutes on Network	USc	4.6	5.4	5.5	5.5	5.4
Voice Average Revenue Per User (ARPU)	US\$	5.5	5.6	6.0	6.2	6.1
Voice Realization per minute	USc	4.0	4.7	4.9	5.0	4.8

A.1.11 Coverage and Network Trends - Africa

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Sites on Network	Nos	15,979	15,439	14,831	14,112	13,628
<i>Of which no. of 3G sites</i>	Nos	5,347	4,787	3,205	NA	NA

A.1.12 Human Resource Analysis - Africa

Parameters	Unit	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
Total Employees	Nos	4,984	4,907	4,792	4,773	5,115
Number of Customers per employee	Nos	11,771	11,383	11,089	10,674	9,470
Personnel Cost per employee per month	US\$	6,015	5,436	6,006	5,783	5,154
Gross Revenue per employee per month	US\$	73,335	72,831	75,800	73,835	67,138

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 Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations for the relevant period. <i>(Erstwhile definition of Average Sharing Operator: Average Sharing Operator is derived by computing the average of the monthly average of sharing operators for the relevant period)</i>
Average Sharing Factor	It is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period. <i>(Erstwhile definition of Tenancy Ratio: It is computed by dividing average sharing operators by average towers)</i>
Average Towers	Average towers are derived by computing the average of the Opening and Closing towers for the relevant period <i>(Erstwhile definition: Average towers are derived by computing the average of the monthly average towers for the relevant period)</i>
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	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.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower, 'co-location' refers to that single operator. Co-locations as referred to are revenue generating Co-locations. <i>(Erstwhile definition of Tenancies: It is the sum of all operators sharing total towers)</i>

Customer Base	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G 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 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 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.

KPI	Key Performance Indicators
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 Income from operations	It is calculated by adding back the interest expense on loans taken for the Africa acquisition to the net income of Africa.
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 % of total 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 % 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 % 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 % 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 an 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 calculated on the basis of the total revenues less energy and other pass through accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period. <i>(Erstwhile definition: It is computed by dividing gross revenue less energy & other pass through, from Tower Infrastructure services by average sharing operators)</i>
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.
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating Towers. <i>(Erstwhile definition: It is the sum of ground based towers, roof top towers and others)</i>
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
USSD	Unstructured Supplementary Services Data
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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