

BHARTI AIRTEL LIMITED

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

Financial results for the quarter ended June 30, 2014

1. Bharti Airtel Limited – Audited financial results for the quarter ended June 30, 2014 as per Indian GAAP (as Stand alone entity)

Part I		(In Rs. Million except per share data)			
S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		June 30,	March 31,	June 30,	March 31,
		2014	2014	2013	2014
		Audited	Audited	Audited	Audited
1	Income from Operations	136,278	129,365	122,244	499,185
2	Expenses				
	(a) Access charges	18,894	18,556	19,026	73,015
	(b) Employee benefits expenses	4,181	3,886	4,294	16,481
	(c) Cost of goods sold	24	22	-	22
	(d) Power and Fuel	10,226	10,203	10,426	41,697
	(e) Rent	14,984	14,444	14,010	56,904
	(f) License fee and spectrum charges (revenue share)	15,883	14,191	13,211	54,682
	(g) Depreciation and amortisation expense	18,786	18,281	18,147	72,313
	(h) Other operating expenses	24,207	21,375	25,354	93,396
	Total Expenses	107,185	100,958	104,468	408,510
3	Profit from operations before Other Income, Finance Costs, Exceptional Items and Tax (1-2)	29,093	28,407	17,776	90,675
4	Other Income	1,763	1,562	830	8,534
5	Profit from ordinary activities before finance costs, exceptional items and tax (3+4)	30,856	29,969	18,606	99,209
6	Finance Costs	2,716	3,910	4,597	13,364
7	Profit from ordinary activities after finance costs but before exceptional items and tax	28,140	26,059	14,009	85,845
8	Exceptional items - Loss / (Gain)	-	-	2,299	2,071
9	Profit (+) /Loss(-) from ordinary activities before Tax	28,140	26,059	11,710	83,774
10	Tax Expense (including expense of Rs Nil for the quarter ended Jun, 14, benefit of Rs 966 Mn for the quarter ended Mar, 14, benefit of Rs 597 Mn for the quarter ended Jun, 13 and benefit of Rs 1,180 Mn for the year ended Mar, 14 on exceptional items)	6,536	5,460	2,122	17,772
11	Net profit (+)/ loss(-) from Ordinary Activities after tax	21,604	20,599	9,588	66,002
12	Extraordinary items (net of tax expenses)	-	-	-	-
13	Profit (+)/ Loss (-) for the period / year	21,604	20,599	9,588	66,002
14	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987
15	Reserves excluding revaluation reserves including employee stock option outstanding (Refer Note 3 below)	668,874	647,272	598,932	647,272
16	Earnings per share (Face value Rs.5/- each) (in Rs.)				
	a. Basic and diluted EPS before Extraordinary items				
	i) Basic	5.405	5.153	2.505	16.687
	ii) Diluted	5.405	5.153	2.505	16.687
	b. Basic and diluted EPS after Extraordinary items				
	i) Basic	5.405	5.153	2.505	16.687
	ii) Diluted	5.405	5.153	2.505	16.687

Part II		Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
S.No.	Particulars	June 30,	March 31,	June 30,	March 31,
		2014	2014	2013	2014
		Audited	Audited	Audited	Audited
A	Particulars of Shareholding				
1	Public Shareholding				
	a. Number of shares	1,384,181,356	1,386,131,356	1,389,895,924	1,386,131,356
	b. Percentage of shareholding	34.63%	34.68%	34.77%	34.68%
2	Promoters and Promoter Group Shareholding				
	a) Pledged/ Encumbered				
	- Number of Shares	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of Shares	2,613,218,746	2,611,268,746	2,607,504,178	2,611,268,746
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.37%	65.32%	65.23%	65.32%

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

2. Segment Reporting - Prepared as per Indian GAAP (as Stand alone entity)

(In Rs Million)

Particulars	Quarter Ended June 30,	Quarter Ended March 31,	Quarter Ended June 30,	Year Ended March 31,
	2014	2014	2013	2014
	Audited	Audited	Audited	Audited
1. Segment Revenue				
Net sales/income from each segment				
a) Mobile Services	118,672	112,614	107,895	435,014
b) Telemedia Services	10,040	9,592	9,012	37,375
c) Airtel Business	14,445	14,711	13,172	58,567
d) Unallocated	-	-	-	-
Total	143,157	136,917	130,079	530,956
Less: Inter Segment Eliminations	6,879	7,552	7,835	31,771
Net sales/Income	136,278	129,365	122,244	499,185
2. Segment Results				
Profit/(Loss) before tax , net Finance Costs and exceptional items from each segment				
a) Mobile Services	27,336	24,422	16,469	81,667
b) Telemedia Services	1,899	1,454	1,508	5,750
c) Airtel Business	1,274	1,583	1,455	6,519
d) Unallocated #	(465)	1,405	(1,404)	(1,844)
Total	30,044	28,864	18,028	92,092
Less: Inter Segment Eliminations	-	-	-	-
Total profit/(loss) before tax , Net Finance Costs and exceptional items	30,044	28,864	18,028	92,092
Less :				
Net Finance Costs / (Income)	1,904	2,805	4,019	6,247
Exceptional Items - Loss / (Gain)	-	-	2,299	2,071
Total profit before tax	28,140	26,059	11,710	83,774
3. Capital Employed (Segment assets - Segment liabilities) *				
a) Mobile Services	296,360	308,484	259,369	308,484
b) Telemedia Services	20,381	21,369	24,261	21,369
c) Airtel Business	5,423	5,695	13,823	5,695
d) Unallocated **	346,842	307,715	296,664	307,715
Total	669,006	643,263	594,117	643,263

*Excludes inter segment assets and liabilities.

**Includes borrowings for 3G and BWA licenses (including spectrum) of Rs 19,285 Mn, Rs 36,400 Mn and Rs 45,700 Mn, as of June 30, 2014, March 31, 2014 and June 30, 2013, respectively.

includes foreign exchange fluctuations in respect of loans given to subsidiaries.

Notes to accounts

1. The above financial results for the quarter ended June 30, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 29, 2014.
2. Notes to the consolidated financial results form part of the notes to the standalone financial results.
3. Reserves and surplus as at June 30, 2014 include Rs. 1,297 Mn, towards employee stock option outstanding account (net of the related deferred cost) of the Company.
4. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company for Rs 51,353 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, has not given effect to the one time spectrum charges in these financial results.
5. The financial results for the quarter ended March 31, 2014 are the balancing figures between audited results in respect of the full financial year 2013-14 and the published year to date figures upto the third quarter of financial year 2013-14.
6. Previous year's/ period's figures have been regrouped / rearranged, wherever required.

For Bharti Airtel Limited

Sd/-

Gopal Vittal
Managing Director and CEO (India & South Asia)

New Delhi
July 29, 2014

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

BHARTI AIRTEL LIMITED

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

Financial results for the quarter ended June 30, 2014

1. Audited consolidated financial results of Bharti Airtel Limited and its subsidiaries prepared as per International Financial Reporting Standards (IFRS)

Part I		(In Rs. Million except per share data)			
S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		June 30,	March 31,	June 30,	March 31,
		2014	2014	2013	2014
		Audited	Audited	Audited	Audited
1	Total Sales / Income	230,055	222,605	202,995	858,635
	(a) Net Sales/ Income from Operations	229,616	222,193	202,639	857,461
	(b) Other Operating Income	439	412	356	1,174
2	Total Expenditure	193,220	188,983	176,016	737,361
	(a) Employee Cost	11,680	11,517	10,926	46,228
	(b) Depreciation & Amortisation	40,365	39,444	38,470	156,496
	(c) License Fees & Spectrum Charges	22,003	19,951	18,219	76,631
	(d) Access & Interconnection Charges	27,889	28,732	26,961	111,923
	(e) Network Operating Expenses	51,236	50,219	46,700	197,202
	(f) Sales & Marketing	21,976	22,631	18,761	86,075
	(g) Administration & others	17,304	15,971	15,826	61,904
	(h) Other Expenditure	767	518	153	902
3	Profit from Operations before Other Income, Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (1-2)	36,835	33,622	26,979	121,274
4	Other Income	-	-	-	-
5	Profit before Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (3+4)	36,835	33,622	26,979	121,274
6	Net Finance Charges (including exchange fluctuation)	9,565	9,911	11,676	48,380
7	Share of Loss / (Gain) in joint ventures / associates	(1,578)	(1,673)	(822)	(5,211)
8	Profit after Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates but before Exceptional Items and Tax	28,848	25,384	16,125	78,105
9	Exceptional Items - Loss / (Gain) (Refer Note 10 below)	1,820	1,569	(2,252)	(538)
10	Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax	27,028	23,815	18,377	78,643
11	Tax Expense (including expense of Rs 699 Mn for the quarter ended Jun,14 , expense of Rs 256 Mn for the quarter ended Mar,14, expense of Rs 1,110 Mn for the quarter ended Jun,13 and expense of Rs 3,970 Mn for the year ended Mar,14 on exceptional items)	15,326	13,562	9,684	48,449
12	Net profit (+)/ loss(-) from Ordinary Activities after tax	11,702	10,253	8,693	30,194
13	Extraordinary items (net of tax expenses)	-	-	-	-
14	Profit (+)/ Loss (-) for the period / year	11,702	10,253	8,693	30,194
15	Minority Interest (including impact of Rs Nil for the quarter ended Jun,14, Rs 508 Mn for the quarter ended Mar,14, Rs 1,342 Mn for the quarter ended Jun,13 and Rs 1,558 Mn for the year ended Mar,14 on exceptional items)	617	637	1,804	2,467
16	Net Profit/(Loss) for the period / year	11,085	9,616	6,889	27,727
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	605,783	594,692	576,866	594,692
19	Earnings per share (Face value Rs.5/- each) (in Rs.)				
	a. Basic and diluted EPS before Extraordinary items				
	i) Basic	2.775	2.407	1.801	7.016
	ii) Diluted	2.773	2.406	1.800	7.010
	b. Basic and diluted EPS after Extraordinary items				
	i) Basic	2.775	2.407	1.801	7.016
	ii) Diluted	2.773	2.406	1.800	7.010
Part II					
S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		June 30,	March 31,	June 30,	March 31,
		2014	2014	2013	2014
		Audited	Audited	Audited	Audited
A	Particulars of Shareholding				
1	Public Shareholding				
	a. Number of shares	1,384,181,356	1,386,131,356	1,389,895,924	1,386,131,356
	b. Percentage of shareholding	34.63%	34.68%	34.77%	34.68%
2	Promoters and Promoter Group Shareholding				
	a) Pledged/ Encumbered				
	- Number of Shares	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of Shares	2,613,218,746	2,611,268,746	2,607,504,178	2,611,268,746
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.37%	65.32%	65.23%	65.32%
S.No.	Particulars				Quarter Ended
					June 30,
					2014
B	Status of investor complaints as on June 30, 2014 is as follows:				
	Complaints pending as on April 1, 2014				Nil
	Complaints received during the quarter				1
	Complaints resolved during the quarter				1
	Complaints pending as on June 30, 2014				Nil

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

(In Rs Million)

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

*Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs. 619,093 Mn (USD 10.30 Bn), Rs 640,237 Mn (USD 10.65 Bn) and Rs 595,223 Mn (USD 9.97 Bn), for 3G and BWA licenses (including spectrum) of Rs. 39,285 Mn, Rs 62,900 Mn, and Rs 45,700 Mn as of June 30, 2014, March 31, 2014, June 30, 2013, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

\$ Segment results include share of (loss) / gain in joint ventures / associates.

Notes to accounts

1. The above financial results for the quarter ended June 30, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 29, 2014.
2. In terms of clause 41 of the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards (IFRS) notified by the International Accounting Standards Board, in the preparation of consolidated financial statements w.e.f. April 1, 2010 and has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company for the quarter ended June 30, 2014 are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).
3. Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial results have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.
4. During the quarter ended June 30, 2014, the Company made following additional equity investments:
 - i) Rs. 150 Mn in Airtel M Commerce Services Limited, a wholly owned subsidiary of the Company.
 - ii) Rs. 11,047 Mn in Bharti Airtel Lanka (Private) Limited, a wholly owned subsidiary of the Company, by way of conversion of loan into equity.
 - iii) Rs 10 Mn in FireFly Networks Limited, a joint venture of the Company.
5. During the quarter ended June 30, 2014, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. successfully raised USD 1,000 Mn through issuance of 5.35 % Guaranteed Senior Notes due 2024 at an issue price of 99.916 percent and Euro 750 Mn through issuance of 3.375 % Guaranteed Senior Notes due 2021 at an issue price of 99.248 percent.
6. On June 20, 2014, the Company has signed a definitive agreement with Loop Mobile (India) Limited, to acquire its operations in Mumbai (India) service area. The agreement is subject to regulatory and statutory approvals.
7. Subsequent to the Balance Sheet date, June 30, 2014, on July 8, 2014, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. (BAIN)/its subsidiaries and Helios Towers Africa (HTA)/ its subsidiaries have entered into agreements for the divestment of over 3,100 telecom towers in four countries across Africa operations from BAIN to HTA. The Company's subsidiaries will have access to a dedicated portion of the towers from HTA under long term lease contracts, considered as finance lease. As the criteria stated by IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are met during June 30, 2014, assets and associated liabilities that are part of this sale and will not be leased back amounting to Rs 14,731 Mn and Rs 1,363 Mn have been reclassified respectively as 'assets of disposal group classified as held for sale' and 'liabilities of disposal group classified as held for sale' in the statement of financial position.
8. During the quarter ended June 30, 2014, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has transferred 146,526 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of June 30, 2014, the trust holds 1,049,881 equity shares.

9. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company and one of its subsidiaries for Rs 52,013 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, has not given effect to the one time spectrum charges in these financial results.
10. Exceptional items during the quarter resulted in a net loss of Rs 2,519 Mn, comprising of: (i) charge of Rs 1,820 Mn on account of various disputes, and (ii) related tax provisions of Rs 699 Mn.
11. The financial results for the quarter ended March 31, 2014 are the balancing figures between audited results in respect of the full financial year 2013-14 and the published year to date figures upto the third quarter of financial year 2013-14.
12. Audited financial results of the Company as per IGAAP (standalone information in terms of clause 41 (VI) (b) of the Listing agreement) are as follows:

(In Rs Million)

Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
1	Net Sales / Income from operations	136,278	129,365	122,244	499,185
2	Profit before tax and exceptional items	28,140	26,059	14,009	85,845
3	Profit before tax and after exceptional items	28,140	26,059	11,710	83,774
4	Profit after tax and before exceptional items	21,604	19,633	11,290	66,893
5	Profit after tax and exceptional items	21,604	20,599	9,588	66,002

13. Previous year's / periods' figures have been regrouped/ rearranged, wherever required.

For Bharti Airtel Limited

Sd/-

Gopal Vittal
Managing Director and CEO (India & South Asia)

New Delhi
July 29, 2014

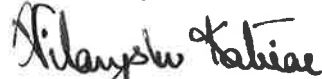
"Bharti Airtel", or "the Company", wherever stated stands for Bharti Airtel Limited. Group, wherever stated stands for Bharti Airtel together with its subsidiaries. For more details on the financial results, please visit our website www.airtel.in

Auditor's Report On Quarterly Financial Results of Bharti Airtel Limited pursuant to Clause 41 of the Listing Agreement

To
Board of Directors of Bharti Airtel Limited

1. We have audited the quarterly financial results of Bharti Airtel Limited ("the Company") for the quarter ended June 30, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results have been prepared on the basis of the interim condensed financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these quarterly financial results based on our audit of such interim condensed financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to Note 4 to the quarterly financial results, which describes the uncertainties related to the legal outcome of Department of Telecommunication's demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.
4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results:
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2014.
5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W



per Nilangshu Katriar
Partner
Membership No.: 58814

Place: New Delhi
Date: July 29, 2014



**Auditor's Report on Quarterly Consolidated Financial Results of Bharti Airtel Limited
Pursuant to the Clause 41 of the Listing Agreement**

To,
Board of Directors,
Bharti Airtel Limited

1. We have audited the quarterly consolidated financial results of Bharti Airtel Limited ('the Company') and its subsidiaries (together referred to as 'the Group') for the quarter ended June 30, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results have been prepared from the interim condensed consolidated financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such interim condensed consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in International Financial Reporting Standards and IAS 34 Interim Financial Reporting ('IAS 34') issued by International Accounting Standards Board.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to Note 9 to the quarterly consolidated financial results, which describes the uncertainties related to the legal outcome of Department of Telecommunication's demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.
4. We did not audit the share of gain in a joint venture of Rs 1,596 million for the quarter ended June 30, 2014, included in the accompanying quarterly consolidated financial results in respect of the joint venture, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us by the Management. Our opinion, in so far as it relates to the affairs of such joint venture is based solely on the report of other auditors.
5. We report that quarterly condensed consolidated financial statements have been prepared by the Company's management in accordance with the requirements of International Financial Reporting Standards ('IFRS') 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 28 Investment in Associates, and IAS 34 Interim Financial Reporting issued by International Accounting Standard Board.

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Chartered Accountants

6. In our opinion and to the best of our information and according to the explanations given to us, these quarterly consolidated financial results:

(i) include the quarterly financial results of the following entities:

1	Bharti Airtel Limited		
Subsidiaries			
2	Bharti Airtel Services Limited	30	Airtel Mobile Commerce Madagascar S.A.
3	Network i2i Limited	31	Bharti Infratel Limited
4	Bharti Airtel (USA) Limited	32	Bharti Telemedia Limited
5	Bharti Airtel (UK) Limited	33	Bharti International (Singapore) Pte. Ltd
6	Bharti Airtel (Canada) Limited#	34	Airtel M Commerce Services Limited
7	Bharti Airtel (Hongkong) Limited	35	Bharti Airtel International (Mauritius) Limited
8	Bharti Airtel Holdings (Singapore) Pte Ltd	36	Bharti Airtel (Japan) Kabushiki Kaisha
9	Bharti Airtel Lanka (Private) Limited	37	Bharti Airtel (France) SAS
10	Bharti Infratel Lanka (Private) Limited	38	Bharti Airtel International (Netherlands) B.V.
11	Bharti Hexacom Limited	39	Airtel Bangladesh Limited
12	Telesonic Networks Limited	40	Bharti Airtel Africa B.V.
13	Bharti Airtel Burkina Faso Holdings B.V.	41	Bharti Airtel Malawi Holdings B.V.
14	Bharti Infratel Services Limited *	42	Airtel Malawi Limited
15	Nxtra Data Limited	43	Bharti Airtel Niger Holdings B.V.
16	Bharti Airtel Congo Holdings B.V.	44	Celtel Niger S.A.
17	Airtel Congo S.A.	45	Bharti Airtel Sierra Leone Holdings B.V.
18	Bharti Airtel RDC Holdings B.V.	46	Airtel (SL) Limited
19	Partnership Investments S.p.r.l.	47	Airtel Networks Zambia Plc (formerly known as Celtel Zambia Plc)
20	Celtel Congo (RDC) S.a.r.l.	48	Bharti Airtel Uganda Holdings B.V.
21	Bharti Airtel Mali Holdings B.V.	48	Gabon Towers S.A.
22	Bharti Airtel Kenya Holdings B.V.	50	Bharti Airtel Tanzania B.V.
23	Bharti Airtel Kenya B.V.	51	Airtel Tanzania Limited
24	Airtel Networks Kenya Limited ^	52	Bharti Airtel Madagascar Holdings B.V.
25	Airtel Burkina Faso S.A.	53	Airtel DTH Services (SL) Limited#
26	Bharti Airtel Chad Holdings B.V.	54	Zebrano (Mauritius) Limited
27	Airtel Tchad S.A.	55	Montana International
28	Bharti Airtel Gabon Holdings B.V.	56	Airtel Madagascar S.A.
29	Airtel Gabon S.A.	57	Bangladesh Infratel Networks Limited



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58	Bharti Airtel Nigeria Holdings B.V.#	88	Congo (RDC) Towers S.p.r.l.
59	MSI-Celtel Nigeria Limited#	89	Africa Towers N.V.
60	Bharti Airtel Nigeria Holdings II B.V.	90	Airtel DTH Services Congo (RDC) S.p.r.l.#
61	Bharti Airtel Nigeria B.V.	91	Bharti Airtel DTH Holdings B.V.
62	Bharti Airtel Ghana Holdings B.V.	92	Airtel Mobile Commerce (Seychelles) Limited
63	Airtel Rwanda Limited	93	Africa Towers Services Limited
64	Bharti Airtel Acquisition Holdings B.V.	94	Madagascar Towers S.A.
65	Bharti Airtel Services B.V.	95	Airtel DTH Services Nigeria Limited
66	Airtel Networks Limited	96	Congo Towers S.A.
67	Bharti Airtel Zambia Holdings B.V.	97	Bharti DTH Services Zambia Limited#
68	Airtel Mobile Commerce Limited	98	Airtel Towers (SL) Company Limited
69	Airtel Mobile Commerce (Kenya) Limited	99	Burkina Faso Towers S.A.
70	Airtel Mobile Commerce (Ghana) Limited	100	Kenya Towers Limited
71	Celtel (Mauritius) Holdings Limited	101	Airtel Money S.A. (Gabon)
72	Airtel Mobile Commerce Zambia Limited	102	Mobile Commerce Congo S.A.
73	Airtel Mobile Commerce (SL) Limited	103	Niger Towers S.A.
74	Airtel Mobile Commerce Tchad S.a.r.l.	104	Tanzania Towers Limited
75	Airtel Mobile Commerce B.V.	105	Tchad Towers S.A.
76	Airtel Mobile Commerce Rwanda Limited	106	Towers Support Nigeria Limited
77	Malawi Towers Limited	107	Bharti Airtel Developers Forum Limited
78	Airtel Money Niger S.A.	108	Zambian Towers Limited
79	Société Malgache de Téléphone Cellulaire S.A.	109	Airtel Money (RDC) S.p.r.l.
80	Airtel Mobile Commerce Holdings B.V.	110	Airtel Mobile Commerce Burkina Faso S.A.
81	Zap Trust Company Nigeria Limited	111	Airtel Broadband Services Private Limited (formerly known as Wireless Business Services Private Limited)
82	Indian Ocean Telecom Limited	112	Airtel Ghana Limited^
83	Airtel (Seychelles) Limited	113	Airtel DTH Services Tanzania Limited##
84	Airtel Mobile Commerce (Tanzania) Limited	114	Airtel Towers (Ghana) Limited
85	Airtel Mobile Commerce Uganda Limited	115	Airtel Uganda Limited^
86	Uganda Towers Limited	116	Channel Sea Management Company (Mauritius) Limited
87	Bharti Airtel Cameroon B.V.	117	Rwanda Towers Limited



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118	Warid Congo S.A. (Subsidiary w.e.f. March 12, 2014)		
Joint Ventures and Associates			
119	Indus Towers Limited *	123	Bharti Teleports Limited
120	Bridge Mobile Pte Limited	124	Seychelles Cable Systems Company Limited
121	Forum I Aviation Ltd	125	Tanzania Telecommunications Company Limited
122	FireFly Networks Limited		

Under liquidation

Dissolved during the three months period ended June 30, 2014

^ The Group also holds 100% preference shareholding in these companies. The preference shares does not have any voting rights.

* Bharti Infratel Limited, in which the Group has 79.36% equity interest (79.39% as of March 31, 2014), owns 100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited (100% of Bharti Infratel Services Limited and 42% of Indus Towers Limited as of March 31, 2014).

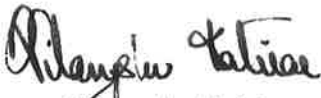
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the quarter ended June 30, 2014.

7. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W



per Nriangshu Katriar
Partner

Membership No.: 58814



Place: New Delhi

Date: July 29, 2014

Bharti Airtel Limited

Consolidated Q1 revenues at Rs 22,962 crore, up 13.3% Y-o-Y;

3G footprint across all 17 countries in Africa

Bharti Airtel announces consolidated IFRS results for the first quarter ended June 30, 2014

Highlights for the first quarter ended June 30, 2014

- ~ Overall Customer base stands at 299.9 million across 20 countries, up 9.1% Y-o-Y.
- ~ Consolidated total revenues at Rs 22,962 crore, up by 13.3% Y-o-Y.
- ~ India & South Asia (India SA) up 11.8%; Africa up 17.5% (INR terms) Y-o-Y.
- ~ Consolidated Mobile Data revenue at Rs 2,204 crore, up by 73.9% Y-o-Y; growth across geographies
- ~ Consolidated EBITDA at Rs 7,720 crore, up by 18.0% Y-o-Y, EBITDA margin up 1.3% Y-o-Y.
- ~ India SA EBITDA margin at 37.2%, up by 3.0% Y-o-Y.
- ~ Net Income at Rs 1,108 crore, up by 60.9% Y-o-Y.

New Delhi, India, July 29, 2014: Bharti Airtel Limited (“Bharti Airtel” or “the Company”) today announced its audited consolidated IFRS results for the first quarter ended June 30, 2014.

The consolidated revenues for Q1'15 at Rs 22,962 crore grew by 13.3% over the corresponding quarter last year. Consolidated Mobile data revenues at Rs 2,204 crore grew by 73.9% Y-o-Y, consistently contributing more than one-third of the incremental revenues.

India SA revenues registered a growth of 11.8% Y-o-Y across segments, led by 9.9% growth in Mobile India, 12.9% in Telemedia Services, 20.7% in Digital TV, 14.8% in ‘airtel business’ (B2B) and 11.7% in South Asia. Mobile voice realisation in India improved to 38.08 p per minute (up 1.49 p Y-o-Y). Mobile Data revenue at Rs 1,559 crore registered a growth of 68.2% Y-o-Y in India, uplifted by increase in data customer base and higher usage per customer. Mobile data revenues contribute to 12.4% of Mobile India revenues vis-à-vis 8.2% in the corresponding quarter last year.

Africa revenues grew by 17.5% Y-o-Y in INR terms and 12.1% in constant currency terms. Data revenues stood at US\$ 102 Mn for the current quarter, contributing 8.8% of overall Africa revenues vis-à-vis 5.3% in the corresponding quarter last year. Data ARPU increased to US\$ 1.50 from US\$ 1.23 in same quarter last year, enabled by 36.7% increase in data usage per customer. Active Airtel Money customers have risen by 222.0% Y-o-Y to 4.3 Mn.

Consolidated EBITDA at Rs 7,720 crore grew by 18.0% Y-o-Y, with margin expanding by 1.3% to 33.6%. The resultant consolidated EBIT of Rs 3,684 crore represents a Y-o-Y growth of 36.5%, with EBIT margin improving by 2.7%. Improved operational efficiency and lower forex & derivative losses resulted in consolidated Net Income growing by 60.9% Y-o-Y to Rs 1,108 crore.

The Company’s consolidated net debt has reduced to US\$ 9,609 Mn resulting in the Net Debt to EBITDA ratio (LTM) improving to 2.04 times as compared to 2.20 times at the end of the previous quarter.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia**, said:

“Our revenue momentum in India has been sustained during Q1 with a growth of 11.8%. While the pace across all segments has been satisfying, Mobile data and DTH stood out with growths of 68.2% and 20.7% respectively. The industry awaits more 3G spectrum being made available even as we look forward to the implementation of policies relating to spectrum sharing and trading. These have become essential to deliver sustained broadband growth and high quality service”.

In a statement, **Mr. Christian de Faria, MD and CEO, Africa**, said:

“Telecoms are back to growth in Africa, this time spearheaded by internet and mobile money. Airtel has grown by 12.1% in constant currency terms, with exceptional performance in Mobile Data (+85.5%). Airtel Money transaction values have increased by 4.9 times to US\$ 2.2 Bn in this quarter. With Niger and Tchad having obtained licences, we will now have 3G presence in all 17 countries. Our investments in licences, networks and marketing are directed towards sustaining double-digit revenue growth”.

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

(Amount in Rs crore, except ratios)

Particulars	Quarter Ended		Y-o-Y Growth
	June 2014	June 2013	
Total revenues	22,962	20,264	13.3%
EBITDA	7,720	6,545	18.0%
<i>EBITDA/ Total revenues</i>	33.6%	32.3%	
EBIT	3,684	2,698	36.5%
<i>EBIT/ Total revenues</i>	16.0%	13.3%	
Profit before tax	2,885	1,613	78.9%
Net Income	1,108	689	60.9%
Operating free cash flow	3,734	4,249	-12.1%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	June 2014	March 2014	Q-o-Q Growth	June 2013	Y-o-Y Growth
Mobile Services	000's	287,147	283,580	1.3%	263,176	9.1%
India	000's	209,411	205,519	1.9%	190,948	9.7%
South Asia	000's	8,650	8,618	0.4%	8,025	7.8%
Africa	000's	69,086	69,443	-0.5%	64,203	7.6%
Telemedia Services	000's	3,350	3,356	-0.2%	3,289	1.9%
Digital TV Services	000's	9,388	9,012	4.2%	8,452	11.1%
Total	000's	299,885	295,948	1.3%	274,917	9.1%

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 20 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 4 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G wireless services and mobile commerce. Bharti Airtel had over 299 million customers across its operations at the end of June 2014. To know more please visit, www.airtel.com

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.]