TO: Sunil Mittal, Founder, Chairman and Group CEO of Bharti Enterprises

CC: Dr. Richard Linowes, American University

FROM: Daniel Vachoo, Sr. Strategy Consultant

Date: Monday, April 25, 2011

RE: Bharti Airtel in Africa

EXECUTIVE SUMMARY:

Bharti Airtel limited is a leading global telecommunications company with operations in 19 countries across Asia and Africa. The company offers mobile voice & data services, fixed line, high speed broadband, IPTV, DTH, turnkey telecom solutions for enterprises and national & international long distance services to carriers. Bharti Airtel has 200 million customers across its operations. The company operates in four segments: Mobile Services, Telemedia Services, Enterprise Services, and Passive Infrastructure Services.

With its beginnings in India, today Business Week has ranked Bharti Airtel among the six best performing technology companies in the world. With its unique business model Airtel has managed outsource its entire infrastructure and customer care back-end to IBM, Ericsson, Nokia-Siemens and Mphasis. This has significantly reduced operating costs and allowed faster roll-outs and improved margins. Airtel was also the first network provider to offer prepaid calling cards in India.

In 2010, Airtel completed the acquisition of African operations from Kuwait's Zain and began operating in Bangladesh and 16 African countries. This gives Airtel access toover 42.1 million customers, across the 16 countries in the African continent. The 10.5 billion dollar acquisition gives Airtel access to a new array of customers in a continent with one of the highest mobile growth rates in the world. While the India mobile market also presents tremendous opportunity, recently the market has grown highly competitive. Mobile rates in India are as low as three to four U.S. cents per minute, and APRU – the average monthly revenue per customer unit- has fallen by 50 percent in three years as telecom provider's fight to capture new subscribers. With the intention of future growth Airtel has invested in Africa but with Finance costs surged to 7.47 billion rupees from 266 million rupees, mainly because of a 1.51 billion rupee foreign-exchange loss on the debt taken on for the $10.5 billion African acquisition, Airtel's future is at risk. Airtel also borrowed to pay $3.3 billion to the Indian government for bandwidth to offer third-generation mobile and wireless-broadband services. In order to maximize the full potential of its acquisition, Airtel must increase market share across the board while simultaneously reducing its costs. Using consolidated financial statements and annual reports; this report analyzes the company's strategic direction, and suggests favorable recommendations to maximize its new resources. The results of the research and analysis will demonstrate the importance of the Nigerian market for the future growth of Airtel and highlight the trend of Indian sourced investments abroad. The report concludes with the following recommendations:

1. Leverage the same outsourcing partnership formed in India to cut cost and offer competitive prices across Africa.
2. Prioritize Nigeria as key market in Africa, and further invest in rural network infrastructure.
3. Use Nigeria as pilot project to implement a centralized process and organizational culture across the operations in the African continent to further decrease costs.

BACKGROUND:

Bharti Airtel limited is a leading global telecommunications company with operations in 19 countries across Asia and Africa. The company offers mobile voice & data services, fixed line, high speed broadband, IPTV, DTH, turnkey telecom solutions for enterprises and national & international long distance services to carriers. Bharti Airtel has been ranked among the six best performing technology companies in the world by Business Week. Bharti Airtel has 200 million customers across its operations. The company operates in four segments: Mobile Services, Telemedia Services, Enterprise Services, and Passive Infrastructure Services.[1]

Sunil Mittal founded Bharti in 1995 with start-up capital[2]. Mittal was an entrepreneur who had created and successfully managed several businesses including a bicycle components business, a portable generator import business and a venture with Siemens to produce telephone equipment. His goal in creating Bharti Airtel Limited was to take advantage of the liberalization of the Indian telecom market and to bid for a government license to operate the first private mobile telecom service in Delhi area. Bharti won the government tender and immediately launched its service, known as "Airtel", using the GSM (Global System for Mobile communications technology).

[1]Airtel Website, http://www.airtel.com/wps/wcm/connect/about+bharti+airtel/Bharti+Airtel/About+bharti+airtel/?WCM_Page.ResetAll=TRUE&CACHE=NONE&CONTENTCACHE=NONE&CONNECTORCACHE=NONE&SRV=Page

[2] IBM Website, www.ibm.com/news/us/en/2005/05/Business_Leadership_Forum.html

In the first eight years of its existence, Airtel grew by having what Mittal called “ single minded devotion to the project and the industry”. Airtel was the first private provider on the market in Delhi and, in 1998 was India’s first private provider to turn a profit.[3]

As part of its drive for continuous expansion, Airtel aggressively pursued the acquisition of licenses for mobile operations in other geographic regions, or “circles.” This strategy required some heavy capital funding. In 1999, Airtel sold a 20 percent equity interest to private equity firm Warburg Pincus. Soon after, New York Life Insurance Fund, the Asian Infrastructure Group, and International Finance Corporation (IFC), and Singtel all acquired equity interests in Bharti[4]. In 2002, Bharti went public on the Indian National Stock Exchange, the Mumbai (Bombay) Exchange, and the Delhi Stock exchange, raising $172 million in its initial public offering (IPO). In total, Airtel raised over $1 billion through foreign direct investments by the end of 2002.

In 2009, Airtel launched its first international mobile network in Sri Lanka. In 2010, Airtel completed the acquisition of African operations from Kuwait’s Zain and began operating in Bangladesh and 16 African countries.
Today, Airtel is the largest cellular service provider in India and fifth largest in the world.

Through its success of Airtel, Bharti has also entered new industries and markets such as retail and insurance (For a full list of Bharti Companies and subsidiaries refer to Exhibit 6)

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[3] Krishna Palepu, Tarun Khanna, and Ingrid Vargas, “Bharti Tele-Ventures,” HBS No. 703-426 (Boston: Harvard Business School Publishing, 2003). Original source: Sunil Mittal quoted in Chakravarti, “Tour de Telecom.”
[4] Applegate, Austin and Soule - Strategic Outsourcing at Bharti Airtel Limited. Harvard Business Review

ACCOMPLISHMENTS TO DATE

Airtel has always been a key innovator in the all its practices. In the late 1990s, Airtel revolutionized telecom in India by introducing prepaid cards, which became an industry standard.

Airtel also established its core competency of remaining a price leader in all segments though its unique business model. In 2002, Airtel outsourced its entire infrastructure and customer care back-end to IBM, Ericsson, Nokia-Siemens and Mphasis. This reduced operating costs and allowed faster roll-outs and improved margins. Today, industry leaders such as Vodafone, Idea Cellular, and Uninor, among others, follow this model. Airtel was also one of the first telecom operators to build a business around ringtones and caller tunes.[5]

Airtel's business model was so convincing that Ericsson agreed for the first time, to be paid by the minute for installation and maintenance of their equipment rather than being paid up front. This enabled the company to provide pan-India phone call rates of Rs. 1/minute (U$0.02/minute) and rates continue to be competitive.

Bharti's decision to outsource its infrastructure needs is also strategically logical as there is an inherent conflict of interest between the vendors and operators (Bharti Airtel in this case). The vendors always try to sell more equipment, while the operator wants maximum coverage

[5] CNN Money, http://tech.fortune.cnn.com/2011/02/10/meet-indias-mobile-revolutionary/

and capacity with as little equipment as possible, therefore by outsourcing the process to several vendors Bharti has cut costs and maintained its competitive price offering in an extremely price sensitive market such as India.

In 2010, Airtel completed the acquisition of African operations from Kuwait's Zain and began operating in Bangladesh and 16 African countries. Africa has over 42.1 million customers, across the 16 countries that it operates in. Airtel's timing in entering the African continent has provided the company with many unique opportunities. With consumer spending of $1.4 trillion and middle class of almost half a billion people Africa remains a key future growth market for mobile telecom worldwide.[6] In the last quarter, Airtel successfully completed the Brand change-over from Zain to "Airtel". (Refer to Exhibit 1 for details on Airtel/Zain's Africa Coverage)

In pursuit of Vision – by 2015 Airtel will be the "Most loved Brand in the daily lives of African people" - Airtel has continued to execute on being customer focused. Owing to the various smart propositions that Airtel has launched during the quarter, the customers have rewarded the company by growing their minutes of usage per customer by 7%. This has more than made up for the 7% fall in the rate per minute and is a vindication of Airtel's strategy of driving affordability, availability and accessibility. As a result, our ARPU has been sustained in Q3.In line with our Brand strategy; Airtel has also made bold moves in owning key segments. Music and Youth are two key levers in Africa. The Airtel Anthem (One 8) has been

[6]Livemint Interview with Manoj Kohli, CEO International Business, Bharti Airtel
http://www.livemint.com/airtelafrica.htm

recommended by Billboard (World's premier music publication) as one of the "Best Bets for 2011". As a result of this strategy, Airtel has seen the non voice revenue's share grow from 7.1% to 7.9% in the quarter.[7]

Bharti's revenue rose 53% to INR157.56 billion from INR103.05 billion a year earlier, helped by contributions from its Africa unit and as it added 13 million users.[8]

PROBLEMS OUTSTANDING:

The Indian telecom industry has matured and the competitors are coming on strong, matching Airtel on every strategic front. Some of the major competitors include Tata, backed by Japan's DoCoMo , Vodafone, Idea, and Malaysia's Maxis-backed Aircel. Then there's the 800-pound gorilla, Reliance Industries, which is making a bid for the data space through an alternate route—broadband wireless access.[9]

The telecom stocks have lost momentum and valuations have plateaued. For the last eight quarters, Airtel's stock has stayed flat despite a split last July.

By 2002-2003, the Indian market had grown highly competitive. Mobile rates were as low as three to four U.S. cents per minute, and APRU – the average monthly revenue per

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[7] Airtel Quarterly Results, http://airtel.in/QRindex.html
[8] Ibid.
[9] CNN Money, http://tech.fortune.cnn.com/2011/02/10/meet-indias-mobile-revolutionary/

customer unit- had fallen by 50 percent in three years as telecom providers fought to capture new subscribers.[10] The top competitors were able to lower their unit costs as their market shares increased through acquisitions or bankruptcy of smaller competitors.

With limited value added services from most operators, a price war has resulted. A recent corruption controversy involving an ex-telecom minister has given the industry a dent. Airtel has not been directly linked in these controversies however negative news about the industry has affected consumer perceptions.

Furthermore the most recent, quarterly results reported a fourth consecutive fall in quarterly net profit as higher finance costs and a one-time brand development expense dented the company's bottom line.[11]

Finance costs surged to 7.47 billion rupees from 266 million rupees, mainly because of a 1.51 billion rupee foreign-exchange loss on the debt taken on for the $10.5 billion African acquisition. Airtel also borrowed to pay $3.3 billion to the Indian government for bandwidth to offer third-generation mobile and wireless-broadband services. (Refer to Exhibit 8 for detailed financial statements)

Airtel included INR3.40 billion expense related to the re-launch of its brand across markets in the quarterly results.

[10] "Current Issue and Trend in Indian Mobile Market," Report # 04025. Research on Asia Group 2003.
[11] Wall Street Journal Online, http://online.wsj.com/article/BT-CO-20110202-704350.html

Average revenue per user, or ARPU, from wireless operations in India fell to INR198 from INR202 in the second quarter and INR230 a year earlier. Wireless ARPU in Africa fell sequentially to $7.30 from $7.40.

Consolidated net profit for the third quarter ended Dec. 31 decreased 41% to INR13.03 billion from INR21.95 billion a year earlier. That missed the INR15.96 billion average of estimates in a Dow Jones Newswires poll of 16 analysts and was 22% lower than the second quarter.[12]

Additionally the differing governmental environments and organizational cultures across the operation in 16 countries within the African continent has been a constant obstacle in cost cutting measures.

RECOMMENDATIONS:

With the increasing competition in India and decreasing APRU, it would be in the best interests of Airtel's long term strategic position to shift its focus internationally to Africa. With Airtel operating in 16 African countries it has been a constant struggle to centralize a price cutting strategy and in the long term Airtel must have a distinct tailor-made strategy for each country that will make the most of the competitive environment. However, considering the financing cost that the company is currently incurring, it would not be a very financially feasible

[12] Ibid.

to execute such a strategy in the short term. The strategy would have to be executed in Phases and Nigeria; Africa's second largest Mobile telecom market should be prioritized.
The strategy recommendation is focused on three key factors: affordability; expanding Airtel's network into rural areas; and data and Internet services.

In terms of Airtel's operations in India, they have been going on for 16 years and the company is a mature player in the market. The company has competitively maintained the lead in market share, and continues to have the highest stock price valuation in the segment. The goodwill and brand equity of Bharti in India is excellent; Airtel is a household name in India. With the recent 3G license acquisitions Airtel's strategic position allows it to make full use of the limited resources and infrastructure in India.

Airtel has already established its networks in all 23 telecom circles within India. The Indian mobile telecom will continue to add new customers however in line with the future and long term strategic goals of Bharti, Africa will significantly offer more opportunity.

NIGERIAN MOBILE MARKET ENVIORNMENT:

Strengths and Opportunities

One of the most important sources of growth over the next few years will be the expansion of mobile network infrastructures into rural areas. The latest figures from the Nigerian Communications Commission (NCC) suggest Nigeria's mobile customer base grew by 19.4% in

2010 to reach 87.283 million at the end of December. This resulted in mobile penetration rate of 55.2%, up from 47.2% a year earlier.

Nigeria remains in first position in Business Monitor International's (BMI's) latest set of Business Environment Ratings for Sub-Saharan Africa. Nigeria scores well above the regional average in the Industry Rewards category. In the Country Rewards and Country Risk categories, Nigeria scores slightly higher than the regional average.

A recent study by Cisco Systems suggests the Middle East and Africa region as a whole will see monthly mobile data traffic volumes grow at a rate of 133% a year between 2009 and 2014, the fastest for any region of the world, although it only beats forecasts for the Asia region if Japan is treated separately.

With a large youth population (41.5% of Nigeria's are under the age of 14[13]), value added services such as 3G multimedia content and mobile internet access would serve as attractive offerings in the country.

One of the biggest success stories of Value added services in Africa is mobile banking and payment services, and Safaricom's M-PESA is the star of this story. By the end of August 2010 there were 12.6mn registered users of the service, and many others benefitting from being

[13]CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html

able to receive funds from registered users. In the month of March 2010 KES 28.59bn (US$355mn) in person-to-person transactions were handled by the system.

The Nigerian telecom market grew by 23 percent (in US dollar value) in 2008, generated US$8.4 billion in overall telecom service revenues, notes Yejide Onabule, analyst at Pyramid Research. "…. Nigeria's total telecom revenue is expected to increase at a CAGR of 5.7 percent from US$8.42 billion in 2008 to US$11.14 billion in 2013."[14]

Since liberalization of the market in 2003, Nigeria's telecom industry has experienced exceptional growth rates, which is attracting new operators. "The bulk of service revenue will continue to come from mobile, which will generate 83 percent of total service revenue over the next five years"[15]

As further expansion and modernization of the fixed-line telephone network is needed; network quality remains a problem. As a result, Mobile-cellular services are growing rapidly in due to the shortcomings of the fixed-line network; multiple cellular providers operate nationally with subscribership reaching 50 per 100 persons in 2009.With 43.989 million active internet users as of 2009, demand continues to be unmet by supply.

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[14] Nigeria is now Africa's biggest mobile telecom market, pyramid research reports. (2009). *PR Newswire Europe Including UK Disclose*, , n/a. Retrieved from http://search.proquest.com/docview/467253020?accountid=8285

[15] Ibid.

Most Mobile traffic and infrastructure operations in Nigeria are setup in urban areas, the urban population is only 48% of the entire country leaving an untapped market segment of about 52%. In the past Airtel has been a leader in increasing subscription through entering rural telecom circles in India, and this has not only proven profitable but has increased the opportunities of commerce and communication in rural India. By targeting the rural areas in Nigeria, Airtel will be able to successfully bridge the rural urban divide, using business as a philanthropic tool.

Nigeria will serve as a revenue booster and pilot project for the strategy implementation in the rest of the continent. Through the strategic partnerships formed in Nigeria, in the future Airtel will be able to offer more competitive prices in the rest of the continent.

Weaknesses and Threats

In February 2011 the Central Bank of Nigeria (CBN) openly recognized the threat posed by fiscal policy to inflation, in its latest public report and even highlighting the relatively high share of the 2011 budget allocated to recurrent expenditure. Its statement also made explicit mention of the need to reform the government's subsidy program, which it viewed as unsustainable considering the state of public finances. The outlook for inflation in 2011 is not much better than in 2010: BMI forecasts an average price growth of 11.1%. The real GDP is forecasted to grow at 7.9% y-o-y for Nigeria in 2011 as a combination of private consumption and government spending take effect. Although the outcome for investment will largely depend on elections and the recovery of the banking sector, here too BMI is cautiously optimistic. In spite of higher oil prices and production, net exports will continue to exert a modest drag on growth. Considering all these events, there is a reasonable amount of future risk and uncertainty for all types businesses operating in Nigeria.[16]

Additionally, in early December 2010, the Nigerian parliament passed the Nigerian Communication Commission's (NCC) NGN6.1bn SIM card registration budget. The move to introduce Compulsory SIM Registration forms part of a wider effort to fight crime perpetrated using mobile phones, particularly fraud. The first phase of compulsory SIM registration began in May 2010, and saw the registration of every new SIM purchased in the market. The second phase, which ended in August 2010, involved the registration of old SIMs by existing SIM holders. This effort has had a negative impact on subscription and renewals as it has increased the turnaround time to acquire a new sim card, often turning away customers.

Market Share

MTN has continued its lead in the Nigerian mobile market. In 2010 MTN grew its customer base by 25.4%, reflecting a net addition of 7.84mn mobile customers. In Q110 MTN increased its mobile customer base by 8% q-o-q to more than 33.3mn. Then in Q210, MTN grew its customer base by 5.3% q-o-q to surpass the 35mn mark.[17]

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[16] *Nigeria Telecommunications Report - Q2 2011*. Business Monitor International, 2011. *ABI/INFORM Complete.* Web..
[17] Ibid.

In December 2010 Nigeria's third-ranked mobile operator had finally been rebranded as Airtel Nigeria.The move follows the acquisition of Zain Nigeria by India's Bharti Airtel in March 2010. Although Zain was previously Nigerian's second-largest mobile operator, the firm was overtaken Globacom in Q208, and the distance between the two operators was increased as a result of the heavy subscriber losses sustained by Zain in H109 and in Q409. (For full details on Nigerian Mobile Market Share refer to Exhibit 7)

AIRTEL'S CURRENT OPERATIONS IN NIGERIA

Strenghts

Airtel is Nigeria's third largest mobile network operator; backed by India's Bharti Airtel. With a good international brand, strong experience and excellent financial backing means Airtel is well placed to take advantage of growth available in Nigeria

Weaknesses

Network capacity is a problem for Airtel as it is for other operators. Prior to its acquisition by Bharti Airtel, parent company Zain had been reporting a consistent drop in its ARPU figures, which fell to single digits in US dollars Compared with larger rivals MTN and Globacom, Airtel was much later to market with 3G mobile services. Prior to its acquisition by

Bharti Airtel, Zain had been failing to significantly improve its subscriber mix, with postpaid subscribers amounting to just 0.6% of the total customer base at the end of 2009.

Opportunities

New core investor Bharti Airtel, is injecting new capital and expertise in network development and service delivery. Airtel should be able to take advantage of growth opportunities in 3G services with well designed and targeted products and parent company Bharti Airtel expressed its commitment to developing the operator's 3G network and services. The biggest opportunity in Nigeria remains to take advantage of the massive growth in basic voice subscriptions, which Airtel is well placed to do.

Threats

In a highly competitive market, Airtel will have to fight to keep its position as penetration rises above 50%. SIM registration was introduced in May 2010; this could put a big dent in subscriber numbers for all operators. Number portability is expected to be introduced in early 2011. This could further intensify competition in the market

ACTION PLAN:

Increase Market Share through competitive price offering and expand network into rural areas

Airtel can certainly bring its expertise from India on this matter. Through its innovative outsourcing partnership in India, Airtel was able to cut costs and offer competitive prices to its customers, the same can be done in Nigeria. With most of Airtel's outsourcing partners from India (IBM, Nokia-Siemens etc) already running large operations in the country, forming such partnerships should be relatively easy and cost effective.

The new price offering and savings will significantly increase market share, resulting in increased revenue for Airtel.

Currently Airtel has reasonably higher tariff per minute when compared to its direct competitor MTN in Nigeria. (Refer to Exhibit 3 for Tariff Comparisons)

Utilize Revenue generated to setup operations in rural areas

Airtel has existing market share of 18.1% and subscription base of 20 million users in Nigeria. [18]Each user in Africa roughly has an Average Revenue per User (ARPU) of $7.3 USD making Airtel's total revenue in Nigeria approximately $146,000,000. (Refer to Exhibit 4 for Investment Calculations)

By averaging out the Net income as a % of total revenues, the net income for Airtel's Africa operations is estimated to be $21,374,400.

With the current revenue and net income structure, Airtel will have sufficient funds to support its rural expansion plans and further increase market share in Nigeria.

[18] The Economic Times, http://economictimes.indiatimes.com/news/news-by-industry/telecom/bharti-airtel-plans-heavy-investment-in-nigeria/articleshow/6136419.cms

Based on a recent network expansion project done by Celtel in South-East Nigeria[19], it can be approximated that the infrastructure costs incurred per square mile is $7,317.22 (Refer to Exhibit 4 for Investment Calculations). This means that hypothetically if Airtel were to establish a new network in a rural area of 389.9 sq mi^2 its total investment cost would be approximately $2,852,984.08 USD. With a consistent annual net income of at least $21,374,400 Airtel has sufficient of funds to slowly expand its networks into rural Africa.

In larger projects of network expansion in rural areas, Airtel can also team up with direct competitors such as MTN to share the mobile base stations, spectrums and other infrastructure. This would be an attractive partnership as it would further lower the initial cost of setup, while still offering a new market segment.

Apply lessons learned from Nigeria to form an integrated companywide system in Africa - Long Term

All of the operations in Africa have distinct corporate cultures and processes, therefore to cut costs Airtel would have to come up with a central companywide information system to integrate processes and cultures. Again given the strategic significance of Nigeria, it will serve as the appropriate testing ground for new information system implementation in the African continent.

[19]MobileComms Technology, http://www.mobilecomms-technology.com/projects/celtel/

Till now, Zain has had a very top-down approach and its local units are not empowered. This is revealed in the company's name itself. "Zain's culture is not quite equipped to understand Africa. In fact, even the brand Zain has no meaning in Africa. It is primarily a middle-eastern name that was brought in here underscoring the point that headquarters play a big role".[20] With the new marketing campaign and Airtel logo embarking the global identity of Airtel, the company will certainly have a broader outreach. (Refer to Exhibit 2 for Airtel logo transformation)

If executed correctly Airtel should see a healthier performance in Nigeria and consequently in all of its global operations. Through this step by step approach Airtel will improve its current financial position, allowing it to consider further expansions into Africa (Egypt and South Africa) and Middle-East.

[20] Forbes India, http://business.in.com/article/big-bet/africas-seduction-of-sunil-mittal/10652/1

EXHIBIT 1 – Airtel/Zain’s Africa Coverage

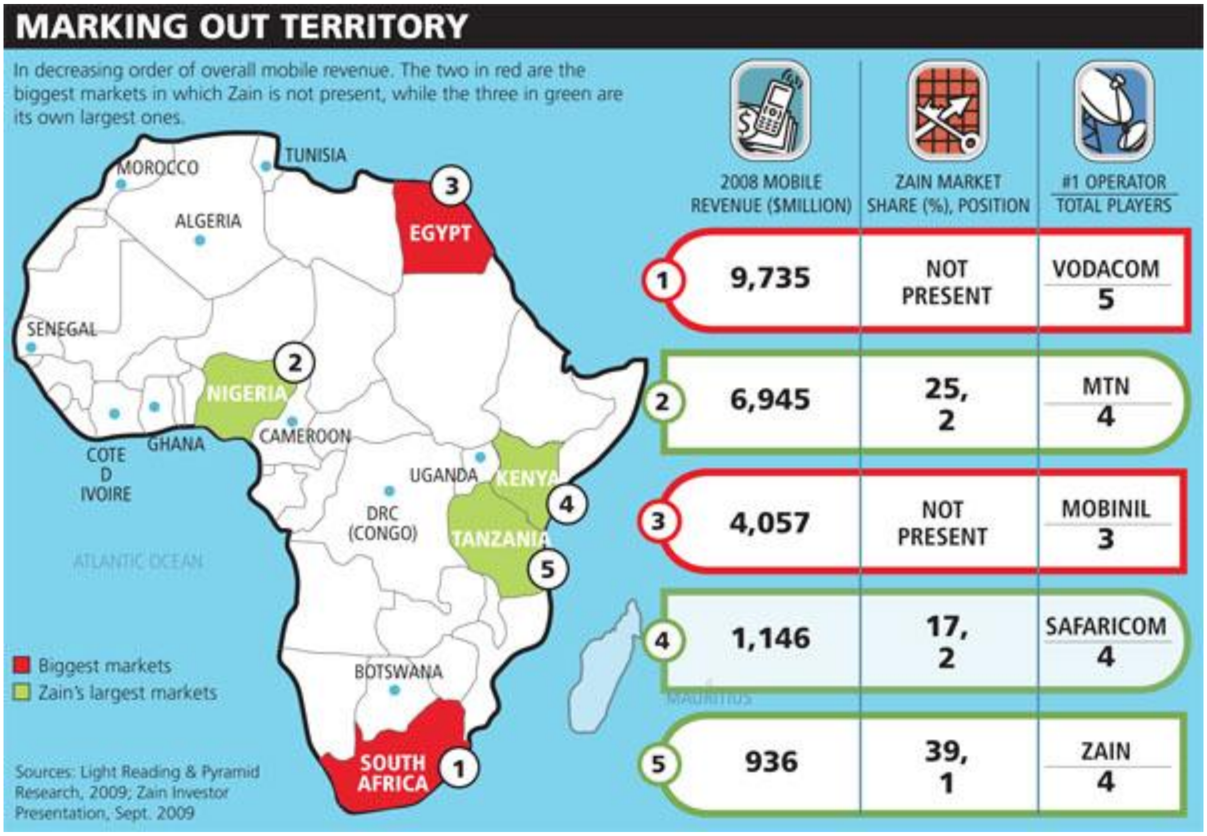

EXHIBIT 2 – AIRTEL LOGO TRANSFORMATION

EXHIBIT 3 – TARIFF COMPARISON BETWEEN MTN AND AIRTEL's NIGERIA VALUE PLANS

Tariffs on MTN XtraValue

The table below shows the tariffs you can enjoy when you are on the MTN XtraValue plan:

MTN XtraValue	
MTN-to-MTN:	27 kobo per second
Other Voice Calls	
MTN-to-Other:	37 kobo per second
Happy Hour On-net	10 kobo per second
Happy Hour Off-net:	37 kobo per second
SMS/MMS/Data	
MTN-to-MTN:	NGN5.00
MTN-to-Other:	NGN12.00
WECA	NGN12.00
International:	NGN12.00
MMS:	NGN60.00
Data:	5 Kobo per kilobyte

National Calls	
Airtel Network	45k /sec
Other Networks	58k/sec
Night Calls 11:00pm -4:30am	**FREE** Use N100 between 8am – 10.59pm daily
SMS	
Airtel Network	N5
Other Networks	N9
Night Calls 11:00pm -4:30pm	N15
20 monthly FREE SMS @ 5 SMS/week	
International Calls	
As applicable per Zone	
ValuMax Bundle	**N550 Subscription Fee** Valid for 30 days

EXHIBIT 4 - INVESTMENT CALCUATIONS:

Celtel's Cost of 500 base stations covering 6833.2 mi^2 area in South East Nigeria:

= $50,000,000 USD

Based on that project, investment cost per mi^2 :

= 50,000,000/6832.2

= $7317.22 USD per mi^2

Airtel has current subscription base of 20,000,000 users and an Average Revenue per User (ARPU) of $7.3 USD. Therefore Airtel's Total Revenue:

= 20,000,000 X 7.3

= $146,000,000 USD

The average Net income as a % of total revenues over the last 5 years:

= (8.3%+10.9%+13.7%+19.0%+21.3%)/5

= 73.2/5

= 14.64%

With that consideration the estimated Net income:

= 14.6% X 146,000,000

= $21,374,400 USD per year

Hypothetically setting up a New Cellular Network in a rural city with 389.9 mi^2 area should cost:

= 389.9 X 7317.22

= $2,852,984.08 USD

EXHIBIT 5 - SUNIL BHARTI MITTAL AND HIS TEAM AT BHARTI AIRTEL

PHOTO: FORTUNE INDIA

EXHIBIT 6 – BHARTI's OTHER SUBSIDARIES

- Bharti Airtel
- Bharti Infratel Limited
- Bharti Realty Limited
- Beetel Teletech Limited
- Comviva
- Jersey and Guernsey
- Centum Learning Limited
- Bharti Walmart
- Bharti Retail
- Bharti AXA Life Insurance
- Bharti AXA General Insurance
- Bharti AXA Investment Managers
- Indus Towers
- FieldFresh Foods Pvt. Ltd

EXHIBIT 7 – Nigeria Mobile Market Share

Table: Nigeria Mobile Market, December 2010

Operator	No. of Subscribers (mn)	Market Share (%)
MTN	38,684	44.3
Globacom	19,627	22.5
Airtel (formerly Zain)	15,834	18.1
Starcomms and other CDMA operators	6,102	7.0
EMTS	6,792	7.8
M-Tel	259	0.3
Total	**87,283**	**100.0**

Source: NCC, Operator Results, BMI

EXHIBIT 8 – DETAILED FINANCIAL STATEMENTS (Please Turn over)

INDEX **CONSOLIDATED FINANCIAL STATEMENTS - BHARTI AIRTEL LIMITED**

1.00 Statement of Operations as per International Financial Reporting standard (IFRS)

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	Jun 2010	Mar 2010	Dec 2009
Revenue	157,560	152,150	122,308	107,491	103,053
Operating expenses	(107,744)	(100,938)	(78,168)	(66,662)	(62,230)
Depreciation & amortisation	(27,107)	(25,790)	(19,467)	(16,953)	(15,881)
Profit / (Loss) from operating activities	**22,709**	**25,422**	**24,673**	**23,876**	**24,942**
Share of results of associates	0	(2)	(72)	(32)	(10)
Other Income	258	169	548	214	182
Non operating expense	(2)	(3)	(233)	(2)	(44)
Profit / (Loss) before interest and tax	**22,965**	**25,586**	**24,917**	**24,056**	**25,070**
Finance income	386	2,939	2,510	4,992	4,465
Finance costs	(7,856)	(6,258)	(6,708)	(4,636)	(4,199)
Profit / (Loss) before tax	**15,495**	**22,267**	**20,719**	**24,412**	**25,336**
Income tax income/(expense)	(3,366)	(5,678)	(3,750)	(3,415)	(2,980)
Net income / (loss) for the period	**12,129**	**16,589**	**16,969**	**20,997**	**22,356**
Other comprehensive income / (loss)					
Exchange differences on translation of foreign operations	(3,425)	13,819	(4,184)	(596)	(422)
Other comprehensive income / (loss) for the period, net of tax	**(3,425)**	**13,819**	**(4,184)**	**(596)**	**(422)**
Total comprehensive income / (loss) for the period, net of tax	**8,704**	**30,408**	**12,785**	**20,401**	**21,934**
Income Attributable to :					
Equity holders of the parent	13,033	16,612	16,816	20,444	21,949
Non controlling interests	(904)	(23)	153	553	407
Net Income / (Loss)	**12,129**	**16,589**	**16,969**	**20,997**	**22,356**
Total comprehensive income / (loss) attributable to :					
Equity holders of the parent	9,699	30,712	12,641	19,904	21,527
Non controlling interests	(995)	(303)	144	497	407
Comprehensive Income / (Loss)	**8,704**	**30,408**	**12,785**	**20,401**	**21,934**
Earning Per Share					
Basic, profit attributable to equity holders of parent (In Rs)	3.43	4.38	4.43	5.39	5.79
Diluted, profit attributable to equity holders of parent (In Rs)	3.43	4.38	4.43	5.39	5.79

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2.00 Consolidated Balance Sheet as per International Financial Reporting standard (IFRS)

Amount in Rs mn

Particulars	As at Dec 2010	As at Sep 2010	As at Jun 2010	As at Mar 2010	As at Dec 2009
Assets					
Non-current assets					
Property, plant and equipment	632,907	613,486	604,854	482,629	470,733
Intangible assets	634,224	638,704	636,179	59,890	49,661
Investment in associates	-	-	2	57	89
Derivative financial assets	2,052	4,175	4,495	3,337	4,122
Other financial assets	7,445	8,541	7,818	7,368	6,145
Other non - financial assets	11,604	8,103	7,900	7,485	6,038
Deferred tax asset	41,421	39,659	37,146	12,489	10,842
	1,329,653	**1,312,668**	**1,298,394**	**573,255**	**547,630**
Current assets					
Inventories	2,005	2,039	1,863	484	796
Trade and other receivable	50,516	47,375	44,309	35,711	40,450
Derivative financial assets	2,747	812	209	144	1,744
Prepayments and other assets	39,468	37,740	33,882	20,835	23,045
Income tax recoverable	2,773	2,820	-	2,826	380
Short term investments	6,740	19,212	19,820	52,362	71,513
Cash and cash equivalents	15,644	19,137	31,080	25,323	5,962
	119,893	**129,135**	**131,163**	**137,685**	**143,890**
Total assets	**1,449,546**	**1,441,803**	**1,429,557**	**710,940**	**691,520**
Equity and liabilities					
Equity					
Issued capital	18,988	18,988	18,988	18,988	18,985
Treasury shares	(100)	(78)	(81)	(81)	(90)
Advances against equity	-	-	22	-	39
Share premium	56,499	56,499	56,499	56,499	56,329
Retained earnings / (deficit)	343,950	330,883	318,193	301,342	280,901
Foreign currency translation reserve	7,415	10,749	(3,351)	824	1,364
Other components of equity	41,086	45,133	44,767	44,368	19,393
Equity attributable to equity holders of parent	**467,838**	**462,174**	**435,037**	**421,940**	**376,921**
Non-controlling interest	29,325	32,015	32,847	25,285	16,464
Total equity	**497,163**	**494,189**	**467,884**	**447,225**	**393,385**
Non-current liabilities					
Borrowing	549,947	564,203	576,953	81,474	71,354
Deferred revenue	8,068	10,379	10,977	11,222	11,275
Provisions	5,912	6,012	7,408	4,243	4,172
Derivative financial liabilities	107	186	221	289	272
Deferred tax liability	9,554	8,853	8,796	3,737	4,022
Other financial liabilities	13,186	11,948	11,428	10,860	10,491
Other non - financial liabilities	5,512	4,036	3,987	3,912	3,679
	592,286	**605,617**	**619,770**	**115,737**	**105,265**
Current liabilities					
Borrowing	72,309	75,864	76,538	20,424	53,868
Deferred revenue	31,522	27,225	27,628	19,027	20,703
Provisions	1,346	974	913	410	384
Derivative financial liabilities	226	245	50	415	347
Income tax liabilities	1,500	2,562	1,549	-	-
Trade & other payables	253,194	235,127	235,225	107,702	117,568
	360,097	**341,997**	**341,903**	**147,978**	**192,870**
Total liabilities	**952,383**	**947,614**	**961,673**	**263,715**	**298,135**
Total equity and liabilities	**1,449,546**	**1,441,803**	**1,429,557**	**710,940**	**691,520**

INDEX **CONSOLIDATED FINANCIAL STATEMENTS - BHARTI AIRTEL LIMITED**

3.00 Consolidated Statement of Cash Flows as per International Financial Reporting standard (IFRS)

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	Jun 2010	Mar 2010	Dec 2009
Cash flows from operating activities					
Profit / (loss) before tax	**15,495**	**22,267**	**20,719**	**24,412**	**25,337**
Adjustments for -					
Depreciation and amortization	27,107	25,790	19,467	16,954	15,881
Finance income	(386)	(2,939)	(2,510)	(4,995)	(4,464)
Finance cost	7,856	6,258	6,708	4,636	4,198
Share of results of associated companies (post tax)	(1)	2	55	32	10
Amortization of Deferred Stock based compensation	398	414	433	357	353
Other non-cash items	76	103	157	261	94
Operating cash flow before working capital changes	**50,545**	**51,895**	**45,029**	**41,657**	**41,409**
Trade receivables and prepayments	(7,073)	(3,730)	(1,244)	7,371	5,872
Inventories	34	(178)	67	313	61
Trade and other payables	5,170	(3,158)	13,835	(12,431)	2,553
Change in provision	9	(338)	227	54	130
Other financial and non financial liabilities	2,668	526	607	397	441
Other financial and non financial assets	(2,359)	(864)	(863)	(2,320)	(829)
Interest Received	78	249	167	216	431
Income Tax (Paid)/Refund	(6,834)	(9,351)	(2,130)	(7,392)	(4,363)
Net cash inflow / (outflow) from operating activities	**42,238**	**35,051**	**55,695**	**27,865**	**45,705**
Cash flows from investing activities					
Proceeds/(Purchase) of property, plant and equipment	(25,720)	(28,344)	(19,064)	(23,817)	(28,304)
Purchase of intangible assets	(1,200)	(813)	(157,826)	(762)	(292)
Short term investments (Net)	12,729	815	33,148	19,796	(13,293)
Acquisitions	225	(11,744)	(360,932)	1	-
Investment in associates	0	-	-	-	-
Net cash inflow / (outflow) from investing activities	**(13,966)**	**(40,086)**	**(504,674)**	**(4,782)**	**(41,889)**
Cash flows from financing activities					
Proceeds from issuance of term borrowings	76,275	26,375	467,187	10,226	16,050
Repayment of borrowings	(96,970)	(22,163)	(11,307)	(12,575)	(19,587)
Advance against equity	(0)	(22)	22	(36)	36
Purchase of Treasury stock	(122)	(83)	-	-	0
Interest paid	(5,717)	(6,849)	(2,344)	(1,509)	(1,587)
Proceeds from exercise of stock options	48	36	-	74	22
Dividend paid	(0)	(4,428)	-	-	0
Acquisition of non-controlling interest	(5,773)	-	-	-	(74)
Net cash inflow / (outflow) from financing activities	**(32,259)**	**(7,134)**	**453,558**	**(3,820)**	**(5,140)**
Effect of exchange rate changes on cash and cash equivalents					
Net (decrease) / increase in cash and cash equivalents during the period	**(3,987)**	**(12,169)**	**4,579**	**19,263**	**(1,324)**
Add : Balance as at the Beginning of the period	17,371	29,540	24,961	5,698	7,022
Balance as at the end of the period	**13,384**	**17,371**	**29,540**	**24,961**	**5,698**

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4.00 Consolidated Summarised Statement of Operations as per IFRS (net of inter segment eliminations)

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	157,560	152,150	122,308	107,491	103,053
EBITDA before Re-Branding / Acquisition Related Cost	53,211	51,212	45,122	41,805	40,823
Acquisition Related Cost	-	0	982	976	-
Re-Branding Expenditure	3,395	-	-	-	-
EBITDA after Re-Branding / Acquisition Related Cost	49,816	51,212	44,140	40,829	40,823
Operating Income	22,708	25,422	24,673	23,875	24,942
Cash profit from operations before Derivative and Exchange Fluctuation	43,854	45,399	42,103	39,588	39,566
Cash profit from operations after Derivative and Exchange Fluctuation	42,346	47,893	39,942	41,185	41,088
Income / (Loss) before Income taxes	15,495	22,267	20,719	24,411	25,336
Current tax expense	5,817	7,025	5,409	4,945	5,459
Income / (Loss) after current tax expense	9,678	15,242	15,310	19,466	19,877
Deferred tax expense / (income)	(2,451)	(1,347)	(1,659)	(1,530)	(2,479)
Net income / (loss)	13,033	16,612	16,816	20,443	21,949
Capex	43,210	33,047	18,361	18,564	19,648
Operating Free Cash Flow	6,606	18,165	25,779	22,265	21,175
EBITDA / Total revenues (before Re-Branding / Acquisition Related Cost)	33.8%	33.7%	36.9%	38.9%	39.6%
EBITDA / Total revenues (after Re-Branding / Acquisition Related Cost)	31.6%	33.7%	36.1%	38.0%	39.6%

4.10 Segment-wise Summarised Statement of Operations as per IFRS

4.20 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				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	91,459	88,045	88,237	83,174	80,898
EBITDA before Re-Branding Cost	31,954	30,964	31,710	30,237	30,400
Re-Branding Expenditure	265	-	-	-	-
EBITDA after Re-Branding Cost	31,689	30,964	31,710	30,237	30,400
EBIT	21,472	21,152	22,236	21,482	22,014
EBITDA / Total revenues (before Re-Branding Cost)	34.9%	35.2%	35.9%	36.4%	37.6%
EBITDA / Total revenues (after Re-Branding Cost)	34.6%	35.2%	35.9%	36.4%	37.6%
Operating Free Cash Flow	14,812	15,374	24,639	23,084	21,309

4.30 Telemedia Services - Comprises of statement of operations of Telemedia Services.

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	9,068	9,118	8,960	8,511	8,549
EBITDA	4,045	4,200	3,938	3,684	3,933
EBIT	2,030	2,245	1,910	1,812	2,081
EBITDA / Total revenues	44.6%	46.1%	44.0%	43.3%	46.0%
Operating Free Cash Flow	2,082	2,045	2,340	1,703	2,188

4.40 Enterprise Services - Comprises of statement of operations of Enterprise Services.

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	10,503	10,424	10,186	10,768	11,048
EBITDA	2,260	2,571	2,497	3,221	3,274
EBIT	1,178	1,478	1,450	2,325	2,457
EBITDA / Total revenues	21.5%	24.7%	24.5%	29.9%	29.6%
Operating Free Cash Flow	1,433	1,029	1,803	3,077	1,730

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

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	21,972	21,161	20,412	19,459	18,407
EBITDA	8,486	7,858	7,240	7,224	6,267
EBIT	3,558	2,886	2,572	2,448	2,049
EBITDA / Total revenues	38.6%	37.1%	35.5%	37.1%	34.0%
Operating Free Cash Flow	2,820	1,946	1,939	504	1,123

4.60 Others - Comprises of Digital TV operations, Bharti corporate offices and new projects in India & South Asia.

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	2,793	2,260	1,949	2,094	1,414
EBITDA before Re-Branding / Acquisition Related Cost	(2,341)	(2,714)	(2,283)	(2,039)	(2,574)
Acquisition Related Cost	-	0	76	465	-
Re-Branding Expenditure	1,392	-	-	-	-
EBITDA after Re-Branding / Acquisition Related Cost	(3,733)	(2,714)	(2,359)	(2,504)	(2,574)
Depreciation & Others	1,241	829	539	952	942
EBIT	(4,974)	(3,543)	(2,898)	(3,456)	(3,516)
Operating Free Cash Flow	(7,652)	(6,797)	(5,121)	(5,070)	(4,698)

4.70 Mobile Services Africa - Comprises of 16 country operations in Africa.

Amount in Rs US$ except ratios

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues	911	838	205		
EBITDA before Re-Branding Cost	228	201	56		
Re-Branding Expenditure	38	-	-		
EBITDA after Re-Branding Cost	190	201	56		
EBIT	9	36	14		
EBITDA / Total revenues (before Re-Branding Cost)	25.1%	24.0%	27.5%		
EBITDA / Total revenues (after Re-Branding Cost)	20.8%	24.0%	27.5%		
Operating Free Cash Flow	(117)	119	36		

4.80 Others - Africa - Comprises of holding investments in Mobile Africa operations.

Amount in Rs US$ except ratios

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total revenues					
EBITDA before Acquisition Related Cost	(16)	(7)	0		
Acquisition Related Cost	-	-	20		
EBITDA after Acquisition Related Cost	(16)	(7)	(20)		
EBIT	(16)	(7)	(20)		
Operating Free Cash Flow	(16)	(7)	(20)		

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5.0 Schedules to Financial Statements

5.1 India & SA

5.1.1 Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Access charges	12,912	12,372	12,775	11,570	11,166
Licence fees, revenue share & spectrum charges	11,904	11,525	11,742	10,594	9,932
Network operations costs	26,328	26,032	25,378	24,023	21,972
Cost of good sold	251	270	172	342	143
Employee costs	4,902	5,090	4,721	4,547	4,513
Selling, general and adminstration expense	18,827	15,801	15,513	15,075	14,504
Operating Expenses	**75,124**	**71,090**	**70,301**	**66,151**	**62,230**

5.1.2 Depreciation and Amortization

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Fixed Assets	18,204	17,422	16,750	16,375	15,366
Licence Fees	208	204	207	166	180
Intangibles	651	613	526	412	337
Depreciation and Amortization	**19,063**	**18,239**	**17,483**	**16,953**	**15,883**

5.1.3 Net Debt

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Long term debt, net of current portion	118,272	140,528	146,261	81,474	71,354
Short-term borrowings and current portion of long-term debt	34,696	34,677	41,343	20,425	53,869
Less:					
Cash and Cash Equivalents	6,989	10,811	16,201	25,311	5,962
Restricted Cash, non-current	408	279	282	293	15
Short term investments	6,740	18,942	19,699	52,364	71,513
Net Debt	**138,831**	**145,173**	**151,422**	**23,931**	**47,733**

5.1.4 Finance Cost (net)

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Interest on borrowings	1,457	1,380	1,446	1,273	1,446
Finance charges	417	402	82	818	858
Finance income	(254)	(316)	(761)	(850)	(1,047)
Derivatives & Exchange Fluctuation	(106)	(1,723)	1,425	(1,597)	(1,522)
Finance cost (net)	**1,514**	**(256)**	**2,191**	**(356)**	**(266)**

5.1.5 Income Tax

Amount in Rs mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Current tax expense	4,989	5,639	5,248	4,945	5,459
Deferred tax expense / (income)	(1,844)	(1,837)	(1,561)	(1,530)	(2,479)
Income tax expense	**3,145**	**3,802**	**3,687**	**3,415**	**2,980**

5.2 Mobile Africa

5.2.1 Operating Expenses

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Access charges	167	140	31		
Licence fees, revenue share & spectrum charges	36	33	9		
Network operations costs	148	140	37		
Cost of good sold	16	21	4		
Employee costs	89	82	20		
Selling, general and adminstration expense	266	221	48		
Operating Expenses	**721**	**637**	**149**		

5.2.2 Depreciation and Amortization

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Fixed Assets	102	87	24		
Licence Fees	50	45	11		
Intangibles	29	30	7		
Depreciation and Amortization	**181**	**163**	**43**		

5.2.3 Net Debt

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Long term debt, net of current portion	1,091	925	1,173		
Short-term borrowings and current portion of long-term debt	741	917	755		
Less:	-	-	-		
Cash and Cash Equivalents	174	182	298		
Restricted Cash, non-current	22	-	-		
Net Debt	**1,636**	**1,661**	**1,630**		

5.2.4 Finance Cost (net)

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Interest on borrowings	38	35	14		
Finance charges	7	7	2		
Finance income	(1)	2	(4)		
Derivatives & Exchange Fluctuation	36	(17)	16		
Finance cost (net)	**80**	**27**	**28**		

5.2.5 Income Tax

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Current tax expense	19	30	3		
Deferred tax expense / (income)	(13)	11	(2)		
Income tax expense	**6**	**40**	**1**		

5.3 Others - Africa

5.3.1 Operating Expenses

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Access charges					
Licence fees, revenue share & spectrum charges					
Network operations costs					
Cost of good sold					
Employee costs	6	6	-		
Selling, general and adminstration expense	10	1	20		
Operating Expenses	**16**	**7**	**20**		

5.3.2 Depreciation and Amortization

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Fixed Assets					
Licence Fees					
Intangibles	-	-	-		
Depreciation and Amortization	**-**	**-**	**-**		

5.3.3 Net Debt

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Long term debt, net of current portion	8,542	8,506	8,069		
Short-term borrowings and current portion of long-term debt	151	-	-		
Less:	-	-	-		
Cash and Cash Equivalents	20	4	21		
Restricted Cash, non-current	-	-	-		
Short term investments	0	6	3		
Net Debt	**8,674**	**8,497**	**8,045**		

5.3.4 Finance Cost (net)

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Interest on borrowings	43	44	11		
Finance charges	11	8	2		
Finance income	(0)	-	-		
Derivatives & Exchange Fluctuation	0	0	-		
Finance cost (net)	**54**	**52**	**13**		

5.3.5 Income Tax

Amount in US$ mn

Particulars	Quarter Ended				
	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Current tax expense	-	-	-		
Deferred tax expense / (income)	-	-	-		
Income tax expense	**-**	**-**	**-**		

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6.1 Operational Performance - INDIA

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total Customers Base	000's	160,685	150,407	143,017	133,283	123,896
Mobile Services						
Customers	000's	152,495	143,292	136,620	127,619	118,864
Airtel's Wireless Market Share	%	20.3%	20.8%	21.5%	21.8%	22.6%
Net Additions	000's	9,203	6,672	9,001	8,755	8,353
Airtel's Market Share of Net Additions	%	14.2%	12.8%	17.6%	14.8%	15.6%
Prepaid Customers as a % of total customers	%	96.2%	96.1%	96.0%	95.8%	95.3%
Average Revenue Per User (ARPU)	Rs	198	202	215	220	230
Average Revenue Per User (ARPU)	US$	4.4	4.5	4.6	4.9	4.9
Average Rate Per Minute (ARPM)	Paisa	44.2	44.4	44.8	47.0	51.7
Average Minutes of Use Per User	Min	449	454	480	468	446
Monthly Churn	%	7.8%	5.9%	5.8%	5.7%	6.3%
Non Voice Revenue as a % of mobile revenues	%	13.8%	12.7%	11.6%	11.8%	11.0%
Telemedia Services						
Customers	000's	3,257	3,216	3,153	3,067	2,989
Net Additions	Nos	41,055	63,208	86,221	78,313	60,291
Average Revenue Per User (ARPU)	Rs	934	954	961	937	964
Average Revenue Per User (ARPU)	US$	20.8	21.2	20.6	20.8	20.6

Minutes & Network Statistics

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Mobile Services	Mn Min	199,146	190,767	190,396	172,797	153,241
Telemedia Services	Mn Min	4,598	4,791	4,696	4,515	4,576
National Long Distance Services	Mn Min	18,063	17,689	17,333	15,875	13,944
International Long Distance Services	Mn Min	3,192	3,034	3,044	3,173	3,100
Total Minutes on Network (Gross)	**Mn Min**	**225,000**	**216,281**	**215,469**	**196,359**	**174,861**
Eliminations	Mn Min	(18,514)	(18,119)	(17,751)	(16,308)	(14,331)
Total Minutes on Network (Net)	**Mn Min**	**206,486**	**198,162**	**197,718**	**180,052**	**160,529**

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Mobile Servies						
Census Towns	Nos	5,104	5,101	5,092	5,091	5,078
Non-Census Towns & Villages	Nos	450,293	445,893	440,023	438,933	433,851
Population Coverage	%	85.8%	85.1%	84.3%	84.2%	83.6%
Optic Fibre Network	R kms	139,541	134,026	129,244	126,357	118,337
Network Sites	Nos	113,587	110,038	105,394	104,826	102,190
Telemedia Services						
Cities covered	Nos	87	88	88	89	95
Submarine Cable System	Nos	6	5	4	3	3

Bharti Infratel Standalone

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total Towers	No.	32,424	31,831	31,196	30,568	29,806
Total Tenancies	No.	55,253	52,776	51,509	50,031	47,361
Key Indicators						
Sharing Revenue per sharing operator per month	Rs.	37,859	38,041	36,290	36,878	38,107
Sharing Factor	Times	1.68	1.65	1.65	1.62	1.57

Note : Total Towers are excluding 35,254 towers in 11 circles for which the right of use has been assigned to Indus with effect from1st Jan 2009.

Indus Towers

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total Towers	No.	107,789	106,438	104,901	102,938	102,696
Total Tenancies	No.	195,133	190,811	185,093	177,706	172,415
Key Indicators						
Sharing Revenue per sharing operator per month	Rs.	30,847	31,389	30,379	29,674	28,333
Sharing Factor	Times	1.80	1.78	1.75	1.71	1.66

Note : Indus KPIs are on 100% basis.

Bharti Infratel Consolidated

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Total Towers	No.	77,695	76,535	75,254	73,802	72,938
Total Tenancies	No.	137,209	132,917	129,248	124,668	119,775
Key Indicators						
Sharing Revenue per sharing operator per month	Rs.	33,524	33,898	33,064	32,654	32,650
Sharing Factor	Times	1.75	1.73	1.70	1.66	1.61

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

6.2 Operational Performance - AFRICA

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Customers	**000's**	**42,124**	**40,082**	**36,362**		
Airtel's Wireless Market Share	%	NA	NA	NA		
Net Additions	000's	2,043	3,720	36,362		
Airtel's Market Share of Net Additions	%	NA	NA	NA		
Prepaid Customers as a % of total customers	%	99.3%	99.3%	99.3%		
Average Revenue Per User (ARPU)	US$	7.3	7.4	7.4		
Average Rate Per Minute (ARPM)	US¢	6.1	6.6	7.2		
Average Minutes of Use Per User	Min	120	112	103		
Monthly Churn	%	5.9%	5.8%	5.6%		
Non Voice Revenue as a % of mobile revenues	%	7.9%	7.1%	7.9%		

Minutes & Network Statistics

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Mobile Services	Mn Min	**14,904**	**12,782**	**3,695**		
International Long Distance Services	Mn Min	0	0	0		
Total Minutes on Network (Gross)	**Mn Min**	**14,904**	**12,782**	**3,695**		
Eliminations	Mn Min	0	0	0		
Total Minutes on Network (Net)	**Mn Min**	**14,904**	**12,782**	**3,695**		

Parameters	Unit	Dec 2010	Sep 2010	June 2010	March 2010	Dec. 2009
Mobile Servies						
Towns & Villages	Nos	NA	NA	NA		
Population Coverage	%	NA	NA	NA		
Network Sites	Nos	11,338	10,998	10,840		