

BHARTI AIRTEL LIMITED

Registered Office: Qutab Ambience, H-5/12, Mehrauli Road, New Delhi – 110030

Financial results for the third quarter and nine months ended December 31, 2007

1. Consolidated summarised financial results of Bharti Airtel Limited and its subsidiaries prepared as per United States Generally Accepted Accounting Principles (US GAAP)

(In Rs Crore except ratios)

Particulars	Quarter Ended			Nine Months Ended		
	December 2007	December 2006	Y-o-Y Growth	December 2007	December 2006	Y-o-Y Growth
	Audited	Unaudited		Audited	Audited	
Total revenues	6,963.90	4,912.92	42%	19,205.90	13,126.42	46%
EBITDA	2,963.40	2,005.45	48%	8,119.70	5,210.04	56%
Cash profit from operations	2,882.40	2,137.21	35%	8,101.30	5,113.93	58%
Earnings/(loss) before taxation	1,903.20	1,441.17	32%	5,540.40	3,379.28	64%
Current tax expense/ (income)	174.80	127.27	37%	611.60	356.22	72%
Earnings/(loss) after current tax expense	1,728.40	1,313.90	32%	4,928.80	3,023.06	63%
Deferred tax expense / (income)	(18.40)	86.64		17.70	90.70	
Net profit / (loss)	1,722.40	1,215.13	42%	4,847.90	2,904.04	67%
EBITDA / Total revenues	42.6%	40.8%		42.3%	39.7%	

2. Consolidated summarised financial results of Bharti Airtel Limited and its subsidiaries prepared as per Indian Generally Accepted Accounting Principles (IGAAP)

(In Rs Crore)

S. No.	Particulars	Quarter Ended December 31,		Nine Month Ended December 31,		Year ended March 31, 2007
		2007	2006	2007	2006	
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	6,950.14	4,914.09	19,148.59	13,058.85	18,420.21
2	Other Income	67.81	14.09	213.31	74.47	111.90
3	Total Income	7,017.95	4,928.18	19,361.90	13,133.32	18,532.11
4	Total Expenditure	5,031.02	3,649.13	13,843.15	9,738.49	13,604.95
	(a) Employee Cost	374.23	349.01	1,105.99	893.73	1,223.90
	(b) Depreciation	986.20	715.48	2,656.39	1,749.41	2,448.70
	(c) License Fees & Spectrum Charges	699.05	457.37	1,909.89	1,185.49	1,695.30
	(d) Access & Interconnection Charges	1,042.42	824.15	2,881.28	2,204.35	3,137.80
	(e) Network Operating Expenses	875.69	531.59	2,275.41	1,467.27	2,034.20
	(f) Sales & Marketing	491.31	277.63	1,320.03	815.78	1,138.70
	(g) Administration & others	489.30	446.05	1,499.21	1,257.05	1,697.80
	(h) Other Expenditure	72.82	47.85	194.95	165.41	228.55
5	Interest Expense / (Income) Net	496.07	58.99	223.38	206.59	248.85
6	Profit/(Loss) from Ordinary Activities before tax	1,490.86	1,220.06	5,295.37	3,188.24	4,678.31
7	Tax Expense	41.45	174.89	740.04	416.03	568.10
	-Current Tax	123.36	132.67	672.84	350.51	497.00
	-Fringe Benefit Tax	14.52	8.66	27.31	19.76	27.20
	-Deferred Tax	(96.43)	33.56	39.89	45.76	43.90
8	Net profit/ (loss) from Ordinary Activities after tax	1,449.41	1,045.17	4,555.33	2,772.21	4,110.21
9	Extraordinary items (net of tax expenses Rs.)	0.00	0.00	0.00	0.00	0.00
10	Profit (+)/ Loss (-) for the period	1,449.41	1,045.17	4,555.33	2,772.21	4,110.21
11	Minority Interest	20.85	11.83	58.80	28.62	48.20
12	Net Profit/Loss for the period	1,428.56	1,033.34	4,496.53	2,743.59	4,062.01
13	Paid-up equity share capital (Face value Rs.10/- each)	1,897.84	1,895.74	1,897.84	1,895.74	1,895.93
14	Reserves excluding revaluation reserves	14,161.17	8,258.37	14,161.17	8,258.37	9,590.32
15	Earnings per share (in Rs.)					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	7.640	5.451	23.701	14.476	21.432
	ii) Diluted	7.634	5.442	23.666	14.468	21.413
	a. Basic and diluted EPS after Extraordinary items					
	i) Basic	7.640	5.451	23.701	14.476	21.432
	ii) Diluted	7.634	5.442	23.666	14.468	21.413
16	Public Shareholding					
	a. Number of shares	647,487,418	740,097,919	647,487,418	740,097,919	740,288,479
	b. Percentage of shareholding	34.12%	39.04%	34.12%	39.04%	39.04%

Note : The consolidated financial results includes the results of Bharti Airtel Limited and its subsidiaries, Bharti Hexacom Limited, Bharti Airtel Services Limited, Bharti Aquanet Limited, Bharti Infratel Limited, Bharti Infratel Ventures Limited, Bharti Telemedia Limited, Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Ltd, Bharti Airtel (Singapore) Private Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Network i2i Limited.

3. Segment Reporting – Audited as per Indian GAAP (as Consolidated Entity)

(In Rs Crore)

Particulars	Quarter Ended December 31,		Nine Month Ended December 31,		Year ended
	2007	2006	2007	2006	March 31, 2007
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Net sale/income from each segment					
a) Mobile Services	5,650.08	3,756.78	15,437.66	9,876.71	14,118.94
b) Telemedia Services #	729.93	600.11	2,095.92	1,642.24	2,249.19
c) Enterprise Services - Carriers	1,142.05	932.37	3,118.87	2,483.64	3,495.04
d) Enterprise Services - Corporates	334.31	254.35	950.88	671.17	930.42
e) Others	68.12	27.26	170.68	55.27	85.33
Total	7,924.49	5,570.87	21,774.01	14,729.03	20,878.92
Less: Inter Segment Eliminations	906.54	642.69	2,412.11	1,595.71	2,346.81
Net sales/income	7,017.95	4,928.18	19,361.90	13,133.32	18,532.11
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,538.48	901.01	4,242.82	2,365.23	3,490.86
b) Telemedia Services #	158.76	35.45	419.99	89.43	169.81
c) Enterprise Services - Carriers	270.55	319.50	822.63	866.92	1,163.69
d) Enterprise Services - Corporates	122.02	80.34	332.57	222.58	329.31
e) Others	(101.77)	(52.46)	(278.44)	(138.63)	(210.82)
Total	1,988.04	1,283.84	5,539.57	3,405.53	4,942.85
Less: Inter Segment Eliminations	1.11	4.79	20.82	10.70	15.69
Total profit/(loss) before tax and interest	1,986.93	1,279.05	5,518.75	3,394.83	4,927.16
Less :					
i) Interest	496.07	58.99	223.38	206.59	248.85
Total profit before tax	1,490.86	1,220.06	5,295.37	3,188.24	4,678.31
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	10,274.06	6,099.58	10,274.06	6,099.58	7,047.67
b) Telemedia Services #	3,167.90	2,766.78	3,167.90	2,766.78	2,870.77
c) Enterprise Services - Carriers	3,276.46	1,780.57	3,276.46	1,780.57	1,922.26
d) Enterprise Services - Corporates	364.36	319.54	364.36	319.54	387.97
e) Others	(464.22)	(574.79)	(464.22)	(574.79)	(368.97)
Total	16,618.56	10,391.68	16,618.56	10,391.68	11,859.70

Broadband and Telephone segment has been renamed as Telemedia Services

4. Summary of differences in net income/ profit between US GAAP (audited) and Indian GAAP (audited).

(In Rs Crore)

Particulars	Quarter Ended	Nine Month Ended
	December 31, 2007	December 31, 2007
Net profit / (loss) as per US GAAP	1,722.40	4,847.90
Add: Differences on account of:		
Minority Interest and loss of Joint Venture	3.60	4.80
Deferred Tax expense	129.50	29.50
Less: Differences on account of:		
Amortisation of Goodwill/ Intangibles	20.29	37.10
Being difference in revenue recognition	3.28	15.80
License fee amortisation	14.54	43.70
Differences in accounting for finance charges	416.95	201.10
Remeasurement of financial instruments not applicable in IGAAP	(1.82)	3.70
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	(26.33)	(28.33)
Provision for Current Tax	0.00	112.60
Net profit/(loss) as per Indian GAAP	1,428.56	4,496.53

5. **Bharti Airtel Limited - Audited financial results for the third quarter and nine months ended December 31, 2007 as per Indian GAAP (as Stand alone entity)**

(In Rs. Crore except ratios)

S. No.	Particulars	Quarter Ended December 31,		Nine Months Ended December 31,		Year ended March 31, 2007
		2007	2006	2007	2006	
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	6,618.27	4,712.32	18,289.78	12,575.70	17,794.43
2	Other Income	64.30	11.36	202.77	61.52	93.56
3	Total Revenue	6,682.57	4,723.68	18,492.55	12,637.22	17,887.99
4	Total Expenditure	4,765.96	3,454.50	13,141.19	9,282.16	13,030.78
	(a) Employee Cost	351.11	339.34	1,036.10	840.38	1,148.98
	(b) Depreciation	925.06	686.67	2,517.69	1,679.31	2,353.30
	(c) License Fees & Spectrum Charges	670.70	442.07	1,837.45	1,146.00	1,638.43
	(d) Access & Interconnection Charges	1,024.53	795.64	2,833.32	2,176.17	3,095.86
	(e) Network Operating Expenses	846.07	498.85	2,169.55	1,386.09	1,921.41
	(f) Sales & Marketing	454.23	247.63	1,230.42	763.96	1,069.17
	(g) Administration & others	450.63	419.02	1,395.58	1,183.14	1,660.97
	(h) Other Expenditure	43.63	25.28	121.08	107.11	142.66
5	Interest Expense / (Income) Net	468.23	61.05	203.63	212.13	255.84
6	Profit/(Loss) from Ordinary Activities before tax	1,448.38	1,208.13	5,147.73	3,142.93	4,601.37
7	Tax Expenses	28.54	164.44	695.83	396.51	568.15
	-Current Tax	122.19	128.78	653.42	338.84	495.03
	-Fringe Benefit Tax	13.67	8.36	25.20	19.10	25.50
	-Deferred Tax	(107.32)	27.30	17.21	38.57	47.62
8	Net profit/(loss) from Ordinary Activities after tax	1,419.84	1,043.69	4,451.90	2,746.42	4,033.22
9	Extraordinary Items (net of tax expenses Rs.____)	-	-	-	-	-
10	Net Profit(+)/ Loss (-) for the period	1,419.84	1,043.69	4,451.90	2,746.42	4,033.22
11	Paid-up equity share capital (Face value Rs.10/- each)	1,897.84	1,895.74	1,897.84	1,895.74	1,895.93
12	Reserves excluding revaluation reserves	14,054.51	8,244.85	14,054.51	8,244.85	9,545.21
13	Earnings per share (in Rs.)					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	7.484	5.506	23.466	14.491	21.279
	ii) Diluted	7.479	5.496	23.431	14.483	21.260
	a. Basic and diluted EPS after Extraordinary items					
	i) Basic	7.484	5.506	23.466	14.491	21.279
	ii) Diluted	7.479	5.496	23.431	14.483	21.260
14	Public Shareholding					
	a. Number of shares	647,487,418	740,097,919	647,487,418	740,097,919	740,288,479
	b. Percentage of shareholding	34.12%	39.04%	34.12%	39.04%	39.04%

- The above financial results for the third quarter and nine months ended December 31, 2007 have been reviewed by the Audit Committee in its meeting held on January 29, 2008 and approved by the Board of Directors in its meeting held on January 30, 2008.
- Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial statement has been furnished to provide information about overall business of the Company and its subsidiaries.
- Previous year's / periods' figures have been regrouped / rearranged to conform to current period's classification, wherever required.
- During the quarter ended December 31, 2007 the Company has allotted 1,28,367 new equity shares comprising of 42,967 shares upon conversion of convertible bonds (FCCBs) and 85,400 shares to the employees of the Company upon exercise of stock options as per ESOP Scheme 2005. As a result the paid up equity share capital of the company stands increased from Rs. 1,897.71 crore to Rs. 1,897.84 crore on December 31, 2007. Reserves and surplus as at December 31, 2007 include Rs.53.39 crore towards employee stock option outstanding (net of the related deferred cost) account.

5. The Hon'ble High Court of Delhi has sanctioned a scheme of de-merger of passive telecom infrastructure for mobile services of the Company into Bharti Infratel Limited, its wholly owned subsidiary by its order dated November 26, 2007. The Scheme will become effective when the certified copy of the same is filed with the Registrar of Companies. Accordingly, the scheme has not been taken cognizance of in these financial statements and no accounting adjustments have been made in the books of account for the third quarter and nine months period ended December 31, 2007, since the certified copy has been received subsequent to December 31, 2007.
6. Bharti Infratel Limited has entered into a joint venture agreement on December 8, 2007 with Vodafone Essar Limited and Idea Cellular Limited to form an independent tower company ("Tower Co") to provide passive infrastructure services in 16 circles of India. Bharti Infratel Ltd and Vodafone Essar Limited will hold approximately 42% each in the Tower Co and the balance 16% will be held by Idea Cellular Limited. For this purpose Bharti Infratel Ventures Limited has been incorporated as a wholly owned subsidiary of Bharti Infratel Ltd wherein the relevant assets are to be transferred for ultimate merger in the Tower Co. Pursuant to the aforesaid agreement, Bharti Infratel Limited has acquired 50,000 equity shares of Rs. 10/- each on December 17, 2007 for an aggregate value of Rs. 5,00,000.
7. Eight leading international investors comprising Temasek, The Investment Corporation of Dubai (ICD), Goldman Sachs (through two different legal entities), Macquarie, AIF Capital, Citigroup and India Equity Partners (IEP) agreed to invest USD 1 billion in the aggregate, in Bharti Infratel. The enterprise valuation has been agreed to be in the range of USD 10 to 12.5 billion, and the final valuation will be determined on the basis of Bharti Infratel's actual operating performance in FY 2008-09.
8. During the quarter the Company contributed USD 10.24 million towards equity enhancement in its wholly owned subsidiary Bharti Airtel (USA) Limited. The Company also acquired additional 600,000 shares in Bridge Mobile Pte Limited for an aggregate consideration of USD 600,000 in which it now owns 10% equity.
9. Following legal advice received by the Company during the quarter that the guidelines issued by Ministry of Company Affairs dated December 7, 2006 with respect to the recognition of foreign exchange fluctuations on loans/liabilities for fixed assets were not in conformity with Schedule VI of the Companies Act, the Company restored its accounting policy to adjust the foreign exchange fluctuations on borrowings towards acquisition of fixed assets to the cost of fixed assets instead of adjusting it to the Profit & Loss Account as was followed earlier with effect from April 1, 2007 in pursuance to the aforesaid guidelines. Had the treatment as prescribed by the Companies (Accounting Standard) Rules 2006 been followed, the net profit after tax would have been higher by Rs 292.32 crore for the quarter and nine month periods ended December 31, 2007.
10. During the quarter ended December 31, 2007, the Company has reassessed the economic life of certain fixed assets, and based thereon changed the depreciable lives of these assets effective October 1, 2007. Such change in estimate did not have a material impact on depreciation and amortization for the quarter and nine months period ended December 31, 2007.

11. Status of investor complaints as on December 31, 2007 is as follows:

Complaints pending as on October 1, 2007	Nil
Complaints received during the quarter	8
Complaints resolved during the quarter	8
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Pending as on December 31, 2007	Nil
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6. Segment Reporting - Audited as per Indian GAAP (as Stand alone entity)

(In Rs Crore)

Particulars	Quarter Ended December 31,		Nine Months Ended December 31,		Year ended
	2007	2006	2007	2006	March 31, 2007
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Net sale/income from each segment					
a) Mobile Services	5,318.33	3,572.13	14,584.81	9,404.72	13,430.52
b) Telemedia Services #	723.76	598.10	2,080.65	1,638.12	2,238.56
c) Enterprise Services - Carriers	1,128.98	931.83	3,091.77	2,474.09	3,489.34
d) Enterprise Services - Corporates	317.86	234.74	898.94	611.23	852.06
e) Others	1.38	0.23	4.11	2.32	2.43
Total	7,490.31	5,337.03	20,660.28	14,130.48	20,012.91
Less: Inter Segment Eliminations	807.74	613.35	2,167.73	1,493.26	2,124.92
Net sales/Income	6,682.57	4,723.68	18,492.55	12,637.22	17,887.99
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,437.17	862.31	3,996.64	2,273.73	3,329.99
b) Telemedia Services #	158.75	37.26	423.16	91.34	172.70
c) Enterprise Services - Carriers	288.05	330.10	845.92	878.95	1,193.97
d) Enterprise Services - Corporates	121.34	82.69	333.11	222.86	329.56
e) Others	(88.70)	(43.18)	(247.47)	(111.82)	(169.01)
Total profit/(loss) before tax and interest	1,916.61	1,269.18	5,351.36	3,355.06	4,857.21
Less :					
i) Interest	468.23	61.05	203.63	212.13	255.84
Total profit before tax	1,448.38	1,208.13	5,147.73	3,142.93	4,601.37
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	9,652.69	5,534.81	9,652.69	5,534.81	6,442.63
b) Telemedia Services #	3,122.05	2,782.78	3,122.05	2,782.78	2,893.00
c) Enterprise Services - Carriers	2,659.81	1,763.97	2,659.81	1,763.97	1,914.35
d) Enterprise Services - Corporates	401.93	398.02	401.93	398.02	469.78
e) Others	415.10	(281.94)	415.10	(281.94)	(74.14)
Total	16,251.58	10,197.64	16,251.58	10,197.64	11,645.62

Broadband and Telephone segment has been renamed as Telemedia Services

For Bharti Airtel Limited

New Delhi
January 30, 2008

Sunil Bharti Mittal
Chairman & Managing Director

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