

BHARTI AIRTEL LIMITED

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

Financial results for the second quarter and half year ended September 30, 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			Half Year Ended		
	September 2007	September 2006	Y-o-Y Growth	September 2007	September 2006	Y-o-Y Growth
	Audited	Unaudited		Audited	Unaudited	
Total revenues	6,337.40	4,357.14	45%	12,242.00	8,213.50	49%
EBITDA	2,709.70	1,702.45	59%	5,156.34	3,204.59	61%
Cash profit from operations	2,597.09	1,643.71	58%	5,218.91	2,976.72	75%
Earnings/(loss) before taxation	1,747.15	1,078.20	62%	3,637.22	1,938.11	88%
Current tax expense/ (income)	212.02	119.53	77%	436.84	228.95	91%
Earnings/(loss) after current tax expense	1,535.13	958.67	60%	3,200.38	1,709.16	87%
Deferred tax expense / (income)	(98.52)	18.26	-640%	36.06	4.07	786%
Net profit / (loss)	1,613.93	933.82	73%	3,125.53	1,688.91	85%
EBITDA / Total revenues	42.8%	39.1%		42.1%	39.0%	

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 September 30,		Half Year Ended September 30,		Year Ended March 31,
		2007	2006	2007	2006	2007
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	6,324.93	4,329.27	12,198.45	8,144.76	18,420.21
2	Other Income	61.80	33.76	145.50	60.38	111.90
3	Total Income	6,386.73	4,363.03	12,343.95	8,205.14	18,532.11
4	Total Expenditure	4,548.95	3,256.67	8,812.13	6,089.36	13,604.95
	(a) Employee Cost	378.60	299.69	731.76	544.72	1,223.90
	(b) Depreciation	881.34	564.73	1,670.19	1,033.93	2,448.70
	(c) License Fees & Spectrum Charges	628.12	388.58	1,210.84	728.12	1,695.30
	(d) Access & Interconnection Charges	931.73	719.00	1,838.86	1,380.20	3,137.80
	(e) Network Operating Expenses	740.59	498.22	1,399.72	935.68	2,034.20
	(f) Sales & Marketing	390.66	278.14	828.72	538.15	1,138.70
	(g) Administration & others	530.65	462.29	1,009.91	811.00	1,697.80
	(h) Other Expenditure	67.26	46.02	122.13	117.56	228.55
5	Interest Expense / (Income) Net	(7.79)	83.40	(272.69)	147.61	248.85
6	Exceptional items-	-	-	-	-	-
7	Profit/(Loss) from Ordinary Activities before tax	1,845.57	1,022.96	3,804.51	1,968.17	4,678.31
8	MAT Credit	-	2.07	(18.71)	5.82	36.70
9	Tax Expense	182.51	140.61	679.88	246.98	604.80
	-Current Tax	211.74	115.26	530.77	223.67	533.70
	-Fringe Benefit Tax	6.29	6.35	12.79	11.10	27.20
	-Deferred Tax	(35.52)	19.00	136.32	12.21	43.90
10	Net profit/ (loss) from Ordinary Activities after tax	1,663.06	884.42	3,105.92	1,727.01	4,110.21
11	Extraordinary items (net of tax expenses Rs. Nil)	-	-	-	-	-
12	Profit (+)/ Loss (-) for the period	1,663.06	884.42	3,105.92	1,727.01	4,110.21
13	Minority Interest	19.30	5.58	37.95	16.79	48.20
14	Net Profit/Loss for the period	1,643.76	878.84	3,067.97	1,710.22	4,062.01
15	Paid-up equity share capital (Face value Rs.10/- each)	1,897.71	1,895.49	1,897.71	1,895.49	1,895.93
16	Reserves excluding revaluation reserves	12,714.58	7,225.62	12,714.58	7,225.62	9,590.32
17	Earnings per share (in Rs.)					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	8.765	4.637	16.173	9.025	21.432
	ii) Diluted	8.756	4.628	16.142	9.000	21.413
	a. Basic and diluted EPS after Extraordinary items					
	i) Basic	8.765	4.637	16.173	9.025	21.432
	ii) Diluted	8.756	4.628	16.142	9.000	21.413
18	Public Shareholding					
	a. Number of shares	647,359,051	739,839,495	647,359,051	739,839,495	740,288,479
	b. Percentage of shareholding	34.11%	39.03%	34.11%	39.03%	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 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 Ltd. and Network i2i Limited.

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

(In Rs Crore)

Particulars	Quarter Ended September 30,		Half Year Ended September 30,		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	5,084.01	3,299.00	9,787.58	6,119.93	14,118.94
b) Broadband & Telephone Services	712.27	526.16	1,365.99	1,042.13	2,249.19
c) Enterprise Services - Carriers	1,009.10	840.36	1,976.82	1,551.27	3,495.04
d) Enterprise Services - Corporates	348.11	217.55	616.57	416.82	930.42
e) Others	57.05	26.13	102.56	28.01	85.33
Total	7,210.54	4,909.20	13,849.52	9,158.16	20,878.92
Less: Inter Segment Eliminations	823.81	546.17	1,505.57	953.02	2,346.81
Net sales/Income	6,386.73	4,363.03	12,343.95	8,205.14	18,532.11
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,389.44	788.01	2,704.34	1,464.22	3,490.86
b) Broadband & Telephone Services	167.49	17.33	261.23	53.98	169.81
c) Enterprise Services - Carriers	275.23	290.31	552.08	547.42	1,163.69
d) Enterprise Services - Corporates	123.93	65.35	210.55	142.24	329.31
e) Others	(104.32)	(49.48)	(176.67)	(86.17)	(210.82)
Total	1,851.77	1,111.52	3,551.53	2,121.69	4,942.85
Less: Inter Segment Eliminations	13.99	5.16	19.71	5.91	15.69
Total profit/(loss) before tax and interest	1,837.78	1,106.36	3,531.82	2,115.78	4,927.16
Less :					
i) Interest Expense / (Income) Net	(7.79)	83.40	(272.69)	147.61	248.85
Total profit before tax	1,845.57	1,022.96	3,804.51	1,968.17	4,678.31
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	8,973.24	5,565.54	8,973.24	5,565.54	7,047.67
b) Broadband & Telephone Services	3,027.83	2,755.10	3,027.83	2,755.10	2,870.77
c) Enterprise Services - Carriers	3,027.57	1,573.10	3,027.57	1,573.10	1,922.26
d) Enterprise Services - Corporates	376.74	292.89	376.74	292.89	387.97
e) Others	(63.52)	(786.63)	(63.52)	(786.63)	(368.97)
Total	15,341.86	9,400.00	15,341.86	9,400.00	11,859.70

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

(In Rs Crore)

Particulars	Quarter Ended	Half Year Ended
	September 30, 2007	September 30, 2007
Net profit / (loss) as per US GAAP	1,613.93	3,125.53
Add: Differences on account of:		
Minority Interest and loss of Joint Venture	0.57	1.20
Deferred Tax expense	(62.74)	(100.00)
Less: Differences on account of:		
Amortisation of Goodwill/ Intangibles	10.12	16.81
Being difference in revenue recognition	3.93	12.52
License fee amortisation	14.58	29.16
Differences in accounting for finance charges	(124.47)	(215.85)
Remeasurement of financial instruments not applicable in IGAAP	4.08	5.52
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	(0.24)	(2.04)
Provision for current tax	-	112.64
Net profit/(loss) as per Indian GAAP	1,643.76	3,067.97

5. **Bharti Airtel Limited - Audited financial results for the second quarter and half year ended September 30, 2007 as per Indian GAAP (as Stand alone entity)**

(In Rs. Crore except ratios)

S. No.	Particulars	Quarter Ended September 30,		Half Year Ended September 30,		Year ended
		2007	2006	2007	2006	March 31, 2007
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	6,059.89	4,180.91	11,671.51	7,863.38	17,794.43
2	Other Income	58.64	32.07	138.47	50.16	93.56
3	Total Revenue	6,118.53	4,212.98	11,809.98	7,913.54	17,887.99
4	Total Expenditure	4,331.56	3,102.88	8,375.23	5,827.67	13,030.78
	(a) Employee Cost	349.75	265.44	684.99	501.04	1,148.98
	(b) Depreciation	841.71	541.40	1,592.63	992.65	2,353.30
	(c) License Fees & Spectrum Charges	605.45	375.71	1,166.75	703.93	1,638.43
	(d) Access & Interconnection Charges	917.14	728.03	1,808.79	1,380.53	3,095.86
	(e) Network Operating Expenses	704.45	468.07	1,323.48	887.24	1,921.41
	(f) Sales & Marketing	363.95	264.10	776.19	516.33	1,069.17
	(g) Administration & others	502.20	434.27	944.95	764.12	1,660.97
	(h) Other Expenditure	46.91	25.86	77.45	81.83	142.66
5	Interest Expense / (Income) Net	(4.88)	85.59	(264.60)	151.07	255.84
6	Exceptional items	-	-	-	-	-
7	Profit/(Loss) from Ordinary Activities before tax	1,791.85	1,024.51	3,699.35	1,934.80	4,601.37
8	MAT Credit	-	2.07	(18.71)	5.82	18.71
9	Tax Expenses	172.70	138.23	648.58	237.89	586.86
	-Current Tax	202.68	114.26	512.52	215.88	513.74
	-Fringe Benefit Tax	5.57	6.13	11.53	10.74	25.50
	-Deferred Tax	(35.55)	17.84	124.53	11.27	47.62
10	Net profit/(loss) from Ordinary Activities after tax	1,619.15	888.35	3,032.06	1,702.73	4,033.22
11	Extraordinary Items (net of tax expenses Rs. Nil)	-	-	-	-	-
12	Net Profit(+)/ Loss (-) for the period	1,619.15	888.35	3,032.06	1,702.73	4,033.22
13	Paid-up equity share capital (Face value Rs.10/- each)	1,897.71	1,895.49	1,897.71	1,895.49	1,895.93
14	Reserves excluding revaluation reserves	12,618.88	7,201.24	12,618.88	7,201.24	9,545.21
15	Earnings per share (in Rs.)					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	8.534	4.687	15.984	8.985	21.279
	ii) Diluted	8.525	4.678	15.953	8.961	21.260
	a. Basic and diluted EPS after Extraordinary items					
	i) Basic	8.534	4.687	15.984	8.985	21.279
	ii) Diluted	8.525	4.678	15.953	8.961	21.260
16	Public Shareholding					
	a. Number of shares	647,359,051	739,839,495	647,359,051	739,839,495	740,288,479
	b. Percentage of shareholding	34.11%	39.03%	34.11%	39.03%	39.04%

- The above financial results for the second quarter and half year ended on September 30, 2007 have been reviewed by the Audit Committee in its meeting held on October 30, 2007 and approved by the Board of Directors in its meeting held on October 31, 2007.
- 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 are regrouped / rearranged to conform to current period's classification, wherever required.
- During the quarter ended September 30, 2007 the Company has allotted 4,67,040 equity shares upon conversion of USD 25,00,000 Zero Coupon Convertible Bonds due 2009 (FCCBs) issued by the company vide its offering circular dated May 12, 2004. Outstanding FCCBs as on date, after the aforesaid conversion is USD 1.13 Million.

5. During the quarter ended September 30, 2007, the company has allotted 92,725 equity shares to the employees of the company upon exercise of stock options as per the ESOP Scheme 2005.
6. For the reasons mentioned in para 4 and 5 the paid-up equity share capital of the company stand increased from Rs. 1,897.15 crore to Rs. 1,897.71 crore on September 30, 2007.
7. Reserves and surplus as at September 30, 2007 include Rs. 46.36 crore towards employee stock option outstanding (net of the related deferred cost) account.
8. Effective April 1, 2007, the Company has adopted the guidelines as per the notification issued by the Ministry of Company Affairs dated December 7, 2006 prescribing the Companies (Accounting Standards) Rules 2006, with respect to recognition of foreign exchange fluctuation on loans/liability for fixed assets resulting into the profit after tax being higher by Rs 57.58 crore during the quarter.
9. The scheme of amalgamation of Satcom Broadband Equipment Limited (SBEL) and Bharti Broadband Limited (BBL) with the Company, effective October 1, 2005 has been approved by the High Court on April 17, 2007. The certified copy of the order issued by the High Court approving scheme of amalgamation has been duly filed by the Company with the Registrar of Companies, NCT of Delhi & Haryana. As on date, SBEL and SBBL stand amalgamated in Bharti Airtel Limited.
10. During the period ended on September 30, 2007, Bharti Airtel (Singapore) Private Limited, Singapore, a wholly owned subsidiary of the Company engaged in the business of providing Voice Interconnection, Prepaid International Calling Services, International Private Leased Circuits and VSAT Trading, was granted the Facilities Based Operator (FBO) license by the Infocom Development Authority of Singapore (IDA) on July 6, 2007.
11. On September 28, 2007, the Company acquired 100% of the Equity in Network i2i Limited, Mauritius, at a consideration of USD 13.34 crore (Rs. 531.39 crore). The principal activity of the Network i2i Limited is operation and provision of telecommunication facilities and services utilising a network of submarine cable systems and associated terrestrial capacity.
12. During the quarter, the Company has acquired balance 49% equity stake in Bharti Aquanet Limited, at a consideration of Rs. 15.92 crore. On acquisition, Bharti Aquanet Limited has become the wholly owned subsidiary of the Company.
13. On October 1, 2007, Bharti Airtel Holdings (Singapore) Pte Ltd was incorporated as a wholly owned subsidiary of the Company for the purpose of making investments in other operating subsidiaries incorporated outside India.
14. The scheme of demerger of passive telecom (mobile) infrastructure of Bharti Airtel Limited and merger thereof with Bharti Infratel Limited has been duly approved by the shareholders and creditors of Bharti Airtel Limited in meetings held on September 7 and 8, 2007 and is now pending final approval of the Delhi High Court. The next date of hearing at Hon'ble Delhi High Court is November 2, 2007.
15. During the quarter ended September 30 2007, Bharti Telemedia Limited, a subsidiary of the Company, has received a Letter of Intent (LoI) for commencing its DTH services from the Union Ministry of Information & Broadcasting.
16. Status of investor complaints as on September 30, 2007 is as follows:

Complaints pending as on July 1, 2007	1
Complaints received during the quarter	17
Complaints resolved during the quarter	18
	=====
Pending as on September 30, 2007	Nil
	=====
17. The Finance Act, 2007 had included employee stock option within the ambit of Fringe Benefit Tax (FBT). The difference between the fair value of the underlying shares on the date of vesting and exercise price paid by the employee is subject to FBT. The Company has obtained the approval of shareholders to make suitable amendments to the ESOP Scheme I and ESOP Scheme 2005 of the Company, to facilitate the recovery of FBT from the employees.

6. Segment Reporting - Audited as per Indian GAAP (as Stand alone entity)

(In Rs Crore)

Particulars	Quarter Ended September 30,		Half Year Ended September 30,		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	4,809.38	3,144.18	9,266.48	5,832.59	13,430.52
b) Broadband & Telephone Services	707.31	525.50	1,356.89	1,040.02	2,238.56
c) Enterprise Services - Carriers	1,012.56	832.78	1,962.79	1,542.26	3,489.34
d) Enterprise Services - Corporates	330.75	199.43	581.08	376.49	852.06
e) Others	0.75	0.65	2.73	2.09	2.43
Total	6,860.75	4,702.54	13,169.97	8,793.45	20,012.91
Less: Inter Segment Eliminations	742.22	489.56	1,359.99	879.91	2,124.92
Net sales/Income	6,118.53	4,212.98	11,809.98	7,913.54	17,887.99
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,312.11	772.02	2,559.47	1,411.42	3,329.99
b) Broadband & Telephone Services	168.86	14.36	264.41	54.07	172.70
c) Enterprise Services - Carriers	280.52	293.66	557.87	548.84	1,193.97
d) Enterprise Services - Corporates	120.88	68.44	211.77	140.17	329.56
e) Others	(95.40)	(38.38)	(158.77)	(68.63)	(169.01)
Total profit/(loss) before tax and interest	1,786.97	1,110.10	3,434.75	2,085.87	4,857.21
Less :					
i) Interest Expense / (Income) Net	(4.88)	85.59	(264.60)	151.07	255.84
Total profit before tax	1,791.85	1,024.51	3,699.35	1,934.80	4,601.37
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	8,491.76	5,037.47	8,491.76	5,037.47	6,442.63
b) Broadband & Telephone Services	2,976.29	2,766.29	2,976.29	2,766.29	2,893.00
c) Enterprise Services - Carriers	2,431.59	1,564.24	2,431.59	1,564.24	1,914.35
d) Enterprise Services - Corporates	417.73	343.67	417.73	343.67	469.78
e) Others	694.68	(500.09)	694.68	(500.09)	(74.14)
Total	15,012.05	9,211.58	15,012.05	9,211.58	11,645.62

For Bharti Airtel Limited

New Delhi
October 31, 2007

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