

BHARTI AIRTEL LIMITED

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

Financial results for the first quarter (Q1) ended June 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)

(Amount in Rs. Crore, except ratios)

Particulars	Quarter Ended		Y-o-Y Growth
	June 2007	June 2006	
	Audited	Un-audited	
Total revenues	5,904.60	3,856.36	53%
EBITDA	2,446.64	1,502.14	63%
Cash profit from operations	2,621.82	1,333.00	97%
Income before income taxes	1,890.07	859.91	120%
Current tax expense	224.82	109.41	
Income after current tax expense	1,665.25	750.50	122%
Deferred tax expense/(income)	134.58	(14.20)	
Net income	1,511.60	755.09	100%
EBITDA / Total revenues	41.4%	39.0%	

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

(Amount in Rs. Crore)

Particulars	Quarter ended June 30, 2007	Quarter ended June 30, 2006	Year ended March 31, 2007
	Audited	Audited	Audited
Service Revenue	5,852.50	3,806.03	18,349.21
Sales of Goods	21.02	9.46	71.00
Total Income	5,873.52	3,815.49	18,420.21
Profit before Finance Expenses /(Income) (Net), Depreciation, Amortisation, Pre-operative Expenditure, Charity and Donation, Taxation and other income	2,444.36	1,498.17	7,440.66
Finance expenses (net)	(264.90)	64.21	248.85
Depreciation	788.85	469.19	2,448.70
Amortisation	44.55	45.25	170.40
Other Income	83.70	26.62	111.90
Preoperative Expenditure Written off	-	0.87	0.90
Charity & Donation	0.61	0.06	5.40
Profit Before tax	1,958.95	945.21	4,678.31
MAT credit	-	3.75	36.70
Tax Expenses/ (Income)			
- Current tax	337.74	108.41	533.70
- Fringe Benefit Tax	6.50	4.75	27.20
- Deferred tax expense/(income)	171.84	(6.80)	43.90
Profit After Tax	1,442.87	842.60	4,110.21
Minority Interest	18.65	11.21	48.20
Profit for the period	1,424.22	831.39	4,062.01

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

(Amount in Rs. Crore)

Particulars	Quarter Ended
	June 30, 2007
Net income as per US GAAP	1,511.60
Add: Differences on account of:	
Minority Interest and loss of Joint Venture	0.63
Differences in accounting for finance charges	91.39
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	1.80
Less: Differences on account of:	
Deferred Tax expense	37.26
Amortisation of Goodwill/ Intangibles	6.69
Being difference in revenue recognition	8.59
License fee amortisation	14.58
Remeasurement of financial instruments not applicable in IGAAP	1.44
Provision for current tax	112.64
Net profit as per Indian GAAP	1,424.22

4. **Bharti Airtel Limited - Audited financial results for the first quarter ended June 30, 2007 as per Indian GAAP (as Stand alone entity)**

(Amount in Rs. Crore, except per share data)

S. No.	Particulars	Quarter Ended June 30,		Three Months Ended June 30,		Year Ended
		2007	2006	2007	2006	March 31, 2007
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	5,611.62	3,682.47	5,611.62	3,682.47	17,794.43
2	Other Income	79.83	18.09	79.83	18.09	93.56
	Total Revenue	5,691.45	3,700.56	5,691.45	3,700.56	17,887.99
3	Total Expenditure	3,292.74	2,273.54	3,292.74	2,273.54	10,677.48
	(a) Staff Cost	335.24	235.60	335.24	235.60	1,148.98
	(b) License Fees & Spectrum Charges	561.30	328.22	561.30	328.22	1,638.42
	(c) Access & Interconnection Charges	891.66	652.50	891.66	652.50	3,095.86
	(d) Network Operating Expenses	619.03	419.17	619.03	419.17	1,921.41
	(e) Sales & Marketing	412.23	252.23	412.23	252.23	1,069.17
	(f) Administration & others	442.74	329.85	442.74	329.85	1,660.97
	(g) Other Expenditure	30.54	55.97	30.54	55.97	142.67
4	Interest	(259.72)	65.48	(259.72)	65.48	255.84
5	Depreciation	750.92	451.25	750.92	451.25	2,353.30
6	Profit/(Loss) before tax	1,907.51	910.29	1,907.51	910.29	4,601.37
7	MAT credit	-	3.75	-	3.75	18.71
8	Provision for Taxation	494.59	99.66	494.59	99.66	586.86
	-Current Tax	328.55	101.62	328.55	101.62	513.74
	-Fringe Benefit Tax	5.96	4.61	5.96	4.61	25.50
	-Deferred Tax	160.08	(6.57)	160.08	(6.57)	47.62
9	Net profit/(loss) after tax	1,412.92	814.38	1,412.92	814.38	4,033.22
10	Paid-up equity share capital (Face value Rs.10/- each)	1,897.15	1,895.24	1,897.15	1,895.24	1,895.93
11	Reserves excluding revaluation reserves	10,993.35	6,299.04	10,993.35	6,299.04	9,545.21
12	Earnings per share (in Rs.)					
	a. Basic	7.449	4.298	7.449	4.298	21.279
	b. Diluted	7.427	4.283	7.427	4.283	21.260
13	Aggregate of Public Shareholding					
	a. Number of shares	741,502,786	1,035,255,537	741,502,786	1,035,255,537	740,288,479
	b. Percentage	39.09%	54.62%	39.09%	54.62%	39.04%

- The above financial results for the first quarter ended June 30, 2007 have been reviewed by the Audit Committee in its meeting held on July 25, 2007 and approved by the Board of Directors in its meeting held on July 26, 2007.
- Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial statements has been furnished to provide information about overall business of the Company and its subsidiaries.
- Previous year's figures are regrouped / rearranged to conform to current period's classification, wherever required.
- During the quarter ended June 30, 2007 the Company has allotted 12,14,307 equity shares upon conversion of USD 65,00,000 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 3.63 million. Consequently, the paid up equity share capital of the Company has increased from Rs.1895.93 crore to Rs.1897.15 crore on June 30, 2007.
- Reserves and surplus as at June 30, 2007 include Rs. 38.12 crores towards employee stock option outstanding (net of the related deferred cost) account.
- 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/liabilities for fixed assets resulting into the profit after tax being higher by Rs.221.99 crore.
- During the period ended June 30, 2007, the Company has acquired 6,00,000 shares of Bridge Mobile PTE Limited for an aggregate consideration of USD 6,00,000 and its share in the joint venture has reduced from 12.5% to 10.81% due to induction of new partners.

8. During the period ended June 30, 2007, Bharti Airtel Services Limited (BASL) (erstwhile Bharti Comtel Limited), a wholly owned subsidiary of Bharti Airtel Limited (the Company) sold its entire shareholding in Bharti Telemedia Limited (BTML), of which 60% was sold to Bharti Enterprises Limited and the balance 40% to Bharti Airtel Limited.

In accordance with Accounting Standard 21 - Consolidated Financial Statements, the Company has consolidated BTML as a subsidiary in its consolidated financial statements for the period ended 30 June 2007, since the Company controls majority of the composition of the Board of Directors of BTML.

9. Mr. Gavin John Darby and Mr. Paul Donovan, Vodafone nominee directors have resigned from the Board w.e.f June 1, 2007. Ms. Syeda Imam, Independent Director has also resigned from the board w.e.f June 25, 2007. Prof V. S. Raju, Independent Director has retired w.e.f the conclusion of twelfth annual general meeting held on July 19, 2007.
10. Price Waterhouse, Chartered Accountants, New Delhi have retired as statutory auditors and S. R. Baltiboi & Associates, Chartered Accountants, New Delhi have been appointed as the statutory auditors of the Company by the shareholders, from the conclusion of the twelfth annual general meeting held on July 19, 2007.
11. On July 18, 2007, a Bharti group company has acquired 9,47,03,500 equity shares of Vodafone International Holdings BV, the Netherlands. Accordingly, the promoter shareholding of Bharti Group has increased by 4.99%.
12. During the period ended June 30, 2007, Bharti Airtel (Singapore) Private Limited, Singapore was incorporated as wholly owned subsidiary of the Company with principal business of providing third party telecom services and value added services.
13. At its meeting dated 22 January 2007, the Board of Directors of the Company had approved a scheme of de-merger of its passive telecom (mobile) infrastructure to Bharti Infratel Limited (BIL), its wholly owned subsidiary. The scheme of de-merger has been approved by the stock exchanges where the shares of the Company are listed, and has been filed for approval of the Hon'ble High Court of New Delhi on 2 July 2007. Pending approval of such scheme by the Hon'ble High Court, no accounting adjustments have been made in the books of account for the period ended June 30, 2007.
14. Status of investor complaints as on June 30, 2007 is as follows:

Complaints pending as on April 1, 2007	Nil
Complaints received during the quarter	10
Complaints resolved during the quarter	9
	=====
Pending as on June 30, 2007	1
	=====

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

(Amount in Rs. Crore)

Particulars	Quarter Ended June 30,		Three Months Ended June 30,		Year Ended March 31,
	2007	2006	2007	2006	2007
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Net sale/income from each segment					
a) Mobile Services	4,457.09	2,688.41	4,457.09	2,688.41	13,430.52
b) Broadband & Telephone Services	649.58	514.52	649.58	514.52	2,238.56
c) Enterprise Services - Carriers	950.24	709.48	950.24	709.48	3,489.34
d) Enterprise Services - Corporates	250.33	177.06	250.33	177.06	852.06
e) Others	1.98	1.44	1.98	1.44	2.43
Total	6,309.22	4,090.91	6,309.22	4,090.91	20,012.91
Less: Inter Segment Eliminations	(617.77)	(390.35)	(617.77)	(390.35)	(2,124.92)
Net sales/Income	5,691.45	3,700.56	5,691.45	3,700.56	17,887.99
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,247.37	639.40	1,247.37	639.40	3,329.99
b) Broadband & Telephone Services	95.55	39.71	95.55	39.71	172.70
c) Enterprise Services - Carriers	277.35	255.18	277.35	255.18	1,193.97
d) Enterprise Services - Corporates	90.89	71.73	90.89	71.73	329.56
e) Others	(63.37)	(30.25)	(63.37)	(30.25)	(169.01)
Total profit/(loss) before tax and interest	1,647.79	975.77	1,647.79	975.77	4,857.21
Less :					
i) Interest	(259.72)	65.48	(259.72)	65.48	255.84
ii) Other Un-allocable Expenditure net off Un-allocable income	-	-	-	-	-
Total profit before tax	1,907.51	910.29	1,907.51	910.29	4,601.37
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	7,244.64	4,224.36	7,244.64	4,224.36	6,442.63
b) Broadband & Telephone Services	2,415.58	2,486.11	2,415.58	2,486.11	2,893.00
c) Enterprise Services - Carriers	2,074.78	1,622.32	2,074.78	1,622.32	1,914.35
d) Enterprise Services - Corporates	940.45	281.47	940.45	281.47	469.78
e) Others	716.18	(235.38)	716.18	(235.38)	(74.14)
Total	13,391.63	8,378.88	13,391.63	8,378.88	11,645.62

For Bharti Airtel Limited

New Delhi
July 26, 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