

BHARTI AIRTEL LIMITED

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

Financial results for the first quarter ended June 30, 2008

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		
	June 2008	June 2007	Y-o-Y Growth
	Audited	Audited	
Total revenues	8,483.30	5,904.60	44%
EBITDA	3,522.10	2,446.64	44%
Cash profit from operations	3,338.90	2,621.82	27%
Earnings/(loss) before taxation	2,381.40	1,890.07	26%
Current tax expense/ (income)	305.30	224.82	36%
Earnings/(loss) after current tax expense	2,076.10	1,665.25	25%
Deferred tax expense / (income)	22.90	134.58	83%
Net profit / (loss)	2,025.00	1,511.60	34%
EBITDA / Total revenues	41.5%	41.4%	

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

(In Rs. Crore except ratios)

S. No.	Particulars	Quarter Ended June 30,		Three months Ended June 30,		Year ended
		2008	2007	2008	2007	March 31, 2008
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	8,506.00	5,873.52	8,506.00	5,873.52	27,012.24
2	Other Income	61.58	83.70	61.58	83.70	279.61
3	Total Income	8,567.58	5,957.22	8,567.58	5,957.22	27,291.85
4	Total Expenditure	6,034.64	4,263.17	6,034.64	4,263.17	19,452.43
	(a) Employee Cost	401.59	353.16	401.59	353.16	1,472.15
	(b) Depreciation and Amortization	997.16	788.85	997.16	788.85	3,591.41
	(c) License Fees and Spectrum Charges	853.77	582.72	853.77	582.72	2,689.96
	(d) Access and Interconnection Charges	1,242.20	907.13	1,242.20	907.13	4,111.14
	(e) Network Operating Expenses	1,218.48	659.13	1,218.48	659.13	3,242.95
	(f) Sales and Marketing	550.36	438.06	550.36	438.06	1,905.83
	(g) Administration and others	676.36	479.26	676.36	479.26	2,102.51
	(h) Other Expenditure	94.72	54.86	94.72	54.86	336.48
5	Interest Expense / (Income) Net	(94.53)	(264.90)	(94.53)	(264.90)	527.87
6	Profit/(Loss) from Ordinary Activities before tax	2,627.47	1,958.95	2,627.47	1,958.95	7,311.55
7	Tax Expense	417.47	516.08	417.47	516.08	816.15
	-Current Tax	305.30	337.74	305.30	337.74	895.47
	-Fringe Benefit Tax	9.55	6.50	9.55	6.50	40.30
	-Deferred Tax	102.62	171.84	102.62	171.84	(119.62)
8	Net profit/ (loss) from Ordinary Activities after tax	2,210.00	1,442.87	2,210.00	1,442.87	6,495.40
9	Extraordinary items (net of tax expenses Rs.)	0.00	0.00	0.00	0.00	0.00
10	Profit (+)/ Loss (-) for the period	2,210.00	1,442.87	2,210.00	1,442.87	6,495.40
11	Minority Interest	43.32	18.65	43.32	18.65	100.02
12	Net Profit/Loss for the period	2,166.68	1,424.22	2,166.68	1,424.22	6,395.38
13	Paid-up equity share capital (Face value Rs.10/- each)	1,898.02	1,897.15	1,898.02	1,897.15	1,897.91
14	Reserves excluding revaluation reserves & foreign currency translation reserves	22,019.39	11,048.81	22,019.39	11,048.81	19,823.11
15	Earnings per share (in Rs.)					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	11.416	7.508	11.416	7.508	34.234
	ii) Diluted	11.411	7.486	11.411	7.486	34.193
	b. Basic and diluted EPS after Extraordinary items					
	i) Basic	11.416	7.508	11.416	7.508	34.234
	ii) Diluted	11.411	7.486	11.411	7.486	34.193
16	Public Shareholding					
	a. Number of shares	635,904,858	741,502,786	635,904,858	741,502,786	647,558,268
	b. Percentage of shareholding	33.50%	39.09%	33.50%	39.09%	34.12%

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 Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Network i2i Limited, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited) and Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited).

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

(In Rs Crore)

Particulars	Quarter Ended June 30,		Three months Ended June 30,		Year ended
	2008	2007	2008	2007	March 31, 2008
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Net sale/income from each segment					
a) Mobile Services	6,920.48	4,703.57	6,920.48	4,703.57	21,869.73
b) Telemedia Services	797.37	653.72	797.37	653.72	2,861.51
c) Enterprise Services - Carriers	1,575.11	967.72	1,575.11	967.72	4,379.81
d) Enterprise Services - Corporates	425.78	268.46	425.78	268.46	1,388.50
e) Passive Infrastructure Services	1,055.83	-	1,055.83	-	602.32
f) Others	119.61	45.51	119.61	45.51	253.69
Total	10,894.18	6,638.98	10,894.18	6,638.98	31,355.56
Less: Inter Segment Eliminations	2,326.60	681.76	2,326.60	681.76	4,063.71
Net sales/Income	8,567.58	5,957.22	8,567.58	5,957.22	27,291.85
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,558.51	1,314.90	1,558.51	1,314.90	5,926.87
b) Telemedia Services	197.31	93.74	197.31	93.74	610.87
c) Enterprise Services - Carriers	588.22	276.85	588.22	276.85	1,128.95
d) Enterprise Services - Corporates	149.80	86.63	149.80	86.63	524.50
e) Passive Infrastructure Services	147.61	-	147.61	-	124.28
f) Others	(101.66)	(72.36)	(101.66)	(72.36)	(419.29)
Total	2,539.79	1,699.76	2,539.79	1,699.76	7,896.18
Less: Inter Segment Eliminations	6.85	5.71	6.85	5.71	56.76
Total profit/(loss) before tax and interest	2,532.94	1,694.05	2,532.94	1,694.05	7,839.42
Less :					
i) Interest	(94.53)	(264.90)	(94.53)	(264.90)	527.87
Total profit before tax	2,627.47	1,958.95	2,627.47	1,958.95	7,311.55
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	6,076.97	8,173.77	6,076.97	8,173.77	4,818.96
b) Telemedia Services	3,604.55	2,357.25	3,604.55	2,357.25	3,347.59
c) Enterprise Services - Carriers	3,169.80	2,071.38	3,169.80	2,071.38	3,049.69
d) Enterprise Services - Corporates	539.23	890.55	539.23	890.55	494.72
e) Passive Infrastructure Services	10,429.85	-	10,429.85	-	11,140.25
f) Others	1,531.01	179.65	1,531.01	179.65	83.80
Total	25,351.41	13,672.60	25,351.41	13,672.60	22,935.01

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

(In Rs Crore)

Particulars	Quarter Ended
	June 30, 2008
Net profit / (loss) as per US GAAP	2,025.00
Add: Differences on account of:	
Minority Interest and loss of Joint Venture	(15.00)
Deferred Tax expense	(80.40)
Less: Differences on account of:	
Amortization of Goodwill/ Intangibles	19.90
Being difference in revenue recognition	(6.50)
License fee amortization	14.60
Differences in accounting for finance charges	(300.50)
Remeasurement of financial instruments not applicable in IGAAP	21.90
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	13.52
Net profit/(loss) as per Indian GAAP	2,166.68

5. **Bharti Airtel Limited - Audited financial results for the first quarter ended June 30, 2008 as per Indian GAAP (as Stand alone entity)**

(In Rs. Crore except ratios)

S. No.	Particulars	Quarter Ended June 30,		Three months Ended June 30,		Year ended
		2008	2007	2008	2007	March 31, 2008
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	7,893.01	5,611.62	7,893.01	5,611.62	25,703.51
2	Other Income	59.31	79.83	59.31	79.83	235.86
3	Total Revenue	7,952.32	5,691.45	7,952.32	5,691.45	25,939.37
4	Total Expenditure	5,640.27	4,043.66	5,640.27	4,043.66	18,483.11
	(a) Employee Cost	357.50	335.24	357.50	335.24	1,366.64
	(b) Depreciation and Amortization	725.10	750.92	725.10	750.92	3,280.63
	(c) License Fees and Spectrum Charges	801.89	561.30	801.89	561.30	2,583.82
	(d) Access and Interconnection Charges	1,220.13	891.66	1,220.13	891.66	4,038.53
	(e) Network Operating Expenses	1,396.96	619.03	1,396.96	619.03	3,300.47
	(f) Sales and Marketing	503.09	412.23	503.09	412.23	1,784.91
	(g) Administration and others	605.12	442.74	605.12	442.74	1,942.95
	(h) Other Expenditure	30.48	30.54	30.48	30.54	185.16
5	Interest Expense / (Income) Net	(58.47)	(259.72)	(58.47)	(259.72)	483.71
6	Profit/(Loss) from Ordinary Activities before tax	2,370.52	1,907.51	2,370.52	1,907.51	6,972.55
7	Tax Expenses	323.73	494.59	323.73	494.59	728.35
	-Current Tax	267.63	328.55	267.63	328.55	859.36
	-Fringe Benefit Tax	8.41	5.96	8.41	5.96	37.23
	-Deferred Tax	47.69	160.08	47.69	160.08	(168.24)
8	Net profit/(loss) from Ordinary Activities after tax	2,046.79	1,412.92	2,046.79	1,412.92	6,244.20
9	Extraordinary Items (net of tax expenses Rs.)	-	-	-	-	-
10	Net Profit(+)/ Loss (-) for the period	2,046.79	1,412.92	2,046.79	1,412.92	6,244.20
11	Paid-up equity share capital (Face value Rs.10/- each)	1,898.02	1,897.15	1,898.02	1,897.15	1,897.91
12	Reserves excluding revaluation reserves	20,400.38	10,993.35	20,400.38	10,993.35	18,340.23
13	Earnings per share (in Rs.)					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	10.784	7.449	10.784	7.449	32.910
	ii) Diluted	10.779	7.427	10.779	7.427	32.870
	b. Basic and diluted EPS after Extraordinary items					
	i) Basic	10.784	7.449	10.784	7.449	32.910
	ii) Diluted	10.779	7.427	10.779	7.427	32.870
14	Public Shareholding					
	a. Number of shares	635,904,858	741,502,786	635,904,858	741,502,786	647,558,268
	b. Percentage of shareholding	33.50%	39.09%	33.50%	39.09%	34.12%

- The above financial results for the first quarter ended June 30, 2008 have been reviewed by the Audit Committee in its meeting held on July 23, 2008 and approved by the Board of Directors in its meeting held on July 24, 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, wherever required.
- During the quarter ended June 30, 2008 the Company has allotted 113,358 new equity shares comprising of 93,408 shares upon conversion of convertible bonds (FCCB's) and 19,950 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. 1,897.91 crore to Rs. 1,898.02 crore as on June 30, 2008.
- Reserves and surplus as at June 30, 2008 include Rs. 64.02 crore towards employee stock option outstanding (net of the related deferred cost) account.
- As per legal advice received, the Company has continued with its accounting policy to adjust foreign exchange fluctuation on loans/liability for fixed assets as per the requirement of Schedule VI of the Companies Act, 1956, which is at variance to the treatment prescribed in Accounting Standard (AS-11) "Effect of Changes in Foreign exchange Rates" notified in the Companies (Accounting Standard) Rules 2006 dated December 7, 2006. Had the treatment as prescribed by the Companies (Accounting Standard) Rules 2006 been followed, the net profit after tax for the Company and the Group would have been lower by Rs 252.36 Crore and Rs 260.18 Crore, respectively, for the quarter ended June 30, 2008 and Reserves

and Surplus of the Company and the Group would have been lower by Rs 162.87 Crore and Rs 173.12 Crore, respectively, as of June 30, 2008

7. Leading international investors have invested an amount of USD 1.35 billion in aggregate, towards 4,050 Equity Shares of Rs 10 each (of which 225 shares issued on April 2, 2008) and 3,203,550 fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures of Rs 10,000 each (of which 177,975 Debentures issued on April 2, 2008), in Bharti Infratel Limited.
8. During the quarter, the Company contributed Rs 121.47 Crore in its wholly owned subsidiary Bharti Airtel Lanka Private Limited.
9. Status of investor complaints as on June 30, 2008 is as follows:

Complaints pending as on April 1, 2008	Nil
Complaints received during the quarter	7
Complaints resolved during the quarter	7
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Pending as on June 30, 2008	Nil
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6. Segment Reporting - Audited as per Indian GAAP (as Stand alone entity)

(In Rs Crore)

Particulars	Quarter Ended June 30,		Three months Ended June 30,		Year ended
	2008	2007	2008	2007	March 31, 2008
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Net sale/income from each segment					
a) Mobile Services	6,454.76	4,457.09	6,454.76	4,457.09	20,603.05
b) Telemedia Services	790.63	649.58	790.63	649.58	2,840.00
c) Enterprise Services - Carriers	1,562.49	950.24	1,562.49	950.24	4,340.89
d) Enterprise Services - Corporates	364.18	250.33	364.18	250.33	1,264.47
e) Others	35.65	1.98	35.65	1.98	4.99
Total	9,207.71	6,309.22	9,207.71	6,309.22	29,053.40
Less: Inter Segment Eliminations	1,255.39	617.77	1,255.39	617.77	3,114.03
Net sales/Income	7,952.32	5,691.45	7,952.32	5,691.45	25,939.37
2. Segment Results					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,441.86	1,247.37	1,441.86	1,247.37	5,538.82
b) Telemedia Services	196.79	95.55	196.79	95.55	613.62
c) Enterprise Services - Carriers	597.38	277.35	597.38	277.35	1,160.07
d) Enterprise Services - Corporates	144.02	90.89	144.02	90.89	505.47
e) Others	(68.00)	(63.37)	(68.00)	(63.37)	(361.72)
Total profit/(loss) before tax and interest	2,312.05	1,647.79	2,312.05	1,647.79	7,456.26
Less :					
i) Interest	(58.47)	(259.72)	(58.47)	(259.72)	483.71
Total profit before tax	2,370.52	1,907.51	2,370.52	1,907.51	6,972.55
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services	5,105.30	7,244.64	5,105.30	7,244.64	5,299.83
b) Telemedia Services	3,572.87	2,415.58	3,572.87	2,415.58	3,375.77
c) Enterprise Services - Carriers	3,023.65	2,074.78	3,023.65	2,074.78	3,058.49
d) Enterprise Services - Corporates	486.07	940.45	486.07	940.45	501.22
e) Others	10,219.68	716.18	10,219.68	716.18	8,070.05
Total	22,407.57	13,391.63	22,407.57	13,391.63	20,305.36

For Bharti Airtel Limited

New Delhi
July 24, 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