

## 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, 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			Nine Months Ended		
	December 2008	December 2007	Y-o-Y Growth	December 2008	December 2007	Y-o-Y Growth
	Audited	Audited		Audited	Audited	
Total revenues	9,633.40	6,963.90	38%	27,137.00	19,205.90	41%
EBITDA	3,945.00	2,963.40	33%	11,166.40	8,119.70	38%
Cash profit from operations	3,754.60	2,882.40	30%	10,218.70	8,101.30	26%
Earnings/(loss) before taxation	2,462.90	1,903.20	29%	6,816.70	5,540.40	23%
Current tax expense/ (income)	280.60	174.80	61%	762.20	611.60	25%
Earnings/(loss) after current tax expense	2,182.30	1,728.40	26%	6,054.50	4,928.80	23%
Deferred tax expense / (income)	(24.80)	(18.40)		(302.90)	17.70	
Net profit / (loss)	2,159.30	1,722.40	25%	6,230.60	4,847.90	29%
EBITDA / Total revenues	41.0%	42.6%		41.1%	42.3%	

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 per share data)

S. No.	Particulars	Quarter Ended December 31,		Nine Months Ended December 31,		Year ended
		2008	2007	2008	2007	March 31, 2008
		Audited	Audited	Audited	Audited	Audited
1	a) Net Sales/ Income from Operations	9,667.37	6,950.14	27,096.94	19,148.59	27,012.24
	b) Other Operating Income	-	-	-	-	-
	<b>Total Income</b>	<b>9,667.37</b>	<b>6,950.14</b>	<b>27,096.94</b>	<b>19,148.59</b>	<b>27,012.24</b>
2	<b>Total Expenditure</b>	<b>7,040.31</b>	<b>5,031.02</b>	<b>19,505.58</b>	<b>13,843.15</b>	<b>19,452.43</b>
	(a) Employee Cost	462.98	374.23	1,306.21	1,105.99	1,472.15
	(b) Depreciation	1,248.79	986.20	3,348.13	2,656.39	3,591.41
	(c) License Fees & Spectrum Charges	1,003.20	699.05	2,766.22	1,909.89	2,689.96
	(d) Access & Interconnection Charges	1,342.63	1,042.42	3,875.40	2,881.28	4,111.14
	(e) Network Operating Expenses	1,591.67	875.69	4,242.43	2,275.41	3,242.95
	(f) Sales & Marketing	673.07	491.31	1,813.92	1,320.03	1,905.83
	(g) Administration & others	645.20	489.30	1,906.20	1,499.21	2,102.51
	(h) Other Expenditure	72.77	72.82	247.07	194.95	336.48
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>2,627.06</b>	<b>1,919.12</b>	<b>7,591.36</b>	<b>5,305.44</b>	<b>7,559.81</b>
4	Other Income	21.13	67.81	111.87	213.31	279.61
5	<b>Profit before Interest &amp; Exceptional Items (3-4)</b>	<b>2,648.19</b>	<b>1,986.93</b>	<b>7,703.23</b>	<b>5,518.75</b>	<b>7,839.42</b>
6	Interest Expense / (Income) Net	457.56	496.07	1,462.59	223.38	527.87
7	<b>Profit after Interest but before Exceptional Items</b>	<b>2,190.63</b>	<b>1,490.86</b>	<b>6,240.64</b>	<b>5,295.37</b>	<b>7,311.55</b>
8	Exceptional items	-	-	-	-	-
9	<b>Profit (+) /Loss(-) from Ordinary Activities before tax</b>	<b>2,190.63</b>	<b>1,490.86</b>	<b>6,240.64</b>	<b>5,295.37</b>	<b>7,311.55</b>
10	<b>Tax Expense</b>	<b>167.14</b>	<b>41.45</b>	<b>292.49</b>	<b>740.04</b>	<b>816.15</b>
	-Current Tax	226.32	123.36	507.03	672.84	895.47
	-Fringe Benefit Tax	13.50	14.52	34.44	27.31	40.30
	-Deferred Tax	(72.68)	(96.43)	(248.98)	39.89	(119.62)
11	<b>Net profit (+) /loss(-) from Ordinary Activities after tax</b>	<b>2,023.49</b>	<b>1,449.41</b>	<b>5,948.15</b>	<b>4,555.33</b>	<b>6,495.40</b>
12	Extraordinary items (net of tax expenses Rs. )	-	-	-	-	-
13	<b>Profit (+) / Loss (-) for the period</b>	<b>2,023.49</b>	<b>1,449.41</b>	<b>5,948.15</b>	<b>4,555.33</b>	<b>6,495.40</b>
14	Minority Interest	47.08	20.85	136.93	58.80	100.02
15	<b>Net Profit/Loss for the period</b>	<b>1,976.41</b>	<b>1,428.56</b>	<b>5,811.22</b>	<b>4,496.53</b>	<b>6,395.38</b>
16	Paid-up equity share capital (Face value Rs.10/- each)	1,898.22	1,897.84	1,898.22	1,897.84	1,897.91
17	Reserves excluding revaluation reserves	25,646.34	14,161.17	25,646.34	14,161.17	19,823.11
18	<b>Earnings per share (in Rs.)</b>					
	<b>a. Basic and diluted EPS before Extraordinary items</b>					
	i) Basic	10.412	7.640	30.617	23.701	34.234
	ii) Diluted	10.410	7.634	30.607	23.666	34.193
	<b>a. Basic and diluted EPS after Extraordinary items</b>					
	i) Basic	10.412	7.640	30.617	23.701	34.234
	ii) Diluted	10.410	7.634	30.607	23.666	34.193
19	<b>Public Shareholding</b>					
	a. Number of shares	623,485,793	647,487,418	623,485,793	647,487,418	647,558,268
	b. Percentage of shareholding	32.85%	34.12%	32.85%	34.12%	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 December 31,		Nine Months Ended December 31,		Year ended
	2008	2007	2008	2007	March 31,
	Audited	Audited	Audited	Audited	2008
<b>1. Segment Revenue</b>					
Net sale/income from each segment					
a) Mobile Services	7,956.01	5,650.08	22,175.87	15,437.66	21,869.73
b) Telemedia Services	842.36	729.93	2,483.33	2,095.92	2,861.51
c) Enterprise Services - Carriers	1,778.49	1,142.05	5,061.40	3,118.87	4,379.81
d) Enterprise Services - Corporates	407.19	334.31	1,224.18	950.88	1,388.50
e) Passive Infrastructure Services	1,349.75	-	3,633.45	-	602.32
f) Others	90.80	68.12	302.97	170.68	253.69
<b>Total</b>	<b>12,424.60</b>	<b>7,924.49</b>	<b>34,881.20</b>	<b>21,774.01</b>	<b>31,355.56</b>
Less: Inter Segment Eliminations	2,736.10	906.54	7,672.39	2,412.11	4,063.71
<b>Net sales/Income</b>	<b>9,688.50</b>	<b>7,017.95</b>	<b>27,208.81</b>	<b>19,361.90</b>	<b>27,291.85</b>
<b>2. Segment Results</b>					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,851.42	1,538.48	4,999.81	4,242.82	5,926.87
b) Telemedia Services	198.56	158.76	621.52	419.99	610.87
c) Enterprise Services - Carriers	683.37	270.55	1,896.98	822.63	1,128.95
d) Enterprise Services - Corporates	134.43	122.02	427.15	332.57	524.50
e) Passive Infrastructure Services	39.21	-	295.81	-	124.28
f) Others	(248.88)	(101.77)	(507.84)	(278.44)	(419.29)
<b>Total</b>	<b>2,658.11</b>	<b>1,988.04</b>	<b>7,733.43</b>	<b>5,539.57</b>	<b>7,896.18</b>
Less: Inter Segment Eliminations	9.92	1.11	30.20	20.82	56.76
<b>Total profit/(loss) before tax and interest</b>	<b>2,648.19</b>	<b>1,986.93</b>	<b>7,703.23</b>	<b>5,518.75</b>	<b>7,839.42</b>
Less :					
i) Interest	457.56	496.07	1,462.59	223.38	527.87
<b>Total profit before tax</b>	<b>2,190.63</b>	<b>1,490.86</b>	<b>6,240.64</b>	<b>5,295.37</b>	<b>7,311.55</b>
<b>3. Capital Employed</b>					
(Segment assets - Segment liabilities)					
a) Mobile Services	7,627.96	10,274.06	7,627.96	10,274.06	4,818.96
b) Telemedia Services	3,854.79	3,167.90	3,854.79	3,167.90	3,347.59
c) Enterprise Services - Carriers	3,687.49	3,276.46	3,687.49	3,276.46	3,049.69
d) Enterprise Services - Corporates	544.13	364.36	544.13	364.36	494.72
e) Passive Infrastructure Services	11,559.14	-	11,559.14	-	11,140.25
f) Others	1,167.28	(464.22)	1,167.28	(464.22)	83.80
<b>Total</b>	<b>28,440.79</b>	<b>16,618.56</b>	<b>28,440.79</b>	<b>16,618.56</b>	<b>22,935.01</b>

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, 2008	December 31, 2008
<b>Net profit / (loss) as per US GAAP</b>	<b>2,159.30</b>	<b>6,230.60</b>
<b>Add: Differences on account of:</b>		
Minority Interest and loss of Joint Venture	(3.10)	(16.70)
Deferred Tax expense	77.00	163.40
<b>Less: Differences on account of:</b>		
Amortisation of Goodwill/ Intangibles	20.20	60.20
Being difference in revenue recognition	(1.10)	13.30
License fee amortisation	14.60	43.80
Differences in accounting for finance charges	248.20	450.00
Remeasurement of financial instruments not applicable in IGAAP	(13.50)	20.20
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	(11.61)	(21.42)
<b>Net profit/(loss) as per Indian GAAP</b>	<b>1976.41</b>	<b>5,811.22</b>

5. **Bharti Airtel Limited - Audited financial results for the third quarter and nine months ended December 31, 2008 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
		2008	2007	2008	2007	March 31, 2008
		Audited	Audited	Audited	Audited	Audited
1	a) Net Sales/ Income from Operations	8,830.11	6,618.27	24,997.48	18,289.78	25,703.51
	b) Other Operating Income	-	-	-	-	-
	<b>Total Revenue</b>	<b>8,830.11</b>	<b>6,618.27</b>	<b>24,997.48</b>	<b>18,289.78</b>	<b>25,703.51</b>
2	<b>Total Expenditure</b>	<b>6,290.62</b>	<b>4,765.96</b>	<b>17,847.11</b>	<b>13,141.19</b>	<b>18,483.11</b>
	(a) Employee Cost	382.04	351.11	1,100.13	1,036.10	1,366.64
	(b) Depreciation	814.38	925.06	2,303.95	2,517.69	3,280.63
	(c) License Fees & Spectrum Charges	938.21	670.70	2,596.28	1,837.45	2,583.82
	(d) Access & Interconnection Charges	1,321.71	1,024.53	3,811.06	2,833.32	4,038.53
	(e) Network Operating Expenses	1,685.53	846.07	4,654.37	2,169.55	3,300.47
	(f) Sales & Marketing	563.52	454.23	1,601.66	1,230.42	1,784.91
	(g) Administration & others	553.56	450.63	1,669.50	1,395.58	1,942.95
	(h) Other Expenditure	31.67	43.63	110.16	121.08	185.16
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>2,539.49</b>	<b>1,852.31</b>	<b>7,150.37</b>	<b>5,148.59</b>	<b>7,220.40</b>
4	Other Income	20.14	64.30	107.89	202.77	235.86
5	<b>Profit before Interest &amp; Exceptional Items (3-4)</b>	<b>2,559.63</b>	<b>1,916.61</b>	<b>7,258.26</b>	<b>5,351.36</b>	<b>7,456.26</b>
6	Interest Expense / (Income) Net	401.66	468.23	1,419.18	203.63	483.71
7	<b>Profit after Interest but before Exceptional Items</b>	<b>2,157.97</b>	<b>1,448.38</b>	<b>5,839.08</b>	<b>5,147.73</b>	<b>6,972.55</b>
8	Exceptional items	-	-	-	-	-
9	<b>Profit (+) /Loss(-) from Ordinary Activities before tax</b>	<b>2,157.97</b>	<b>1,448.38</b>	<b>5,839.08</b>	<b>5,147.73</b>	<b>6,972.55</b>
10	<b>Tax Expenses</b>	<b>140.68</b>	<b>28.54</b>	<b>170.23</b>	<b>695.83</b>	<b>728.35</b>
	-Current Tax	215.85	122.19	492.48	653.42	859.36
	-Fringe Benefit Tax	12.14	13.67	30.57	25.20	37.23
	-Deferred Tax	(87.31)	(107.32)	(352.82)	17.21	(168.24)
11	<b>Net profit (+)/ loss(-) from Ordinary Activities after tax</b>	<b>2,017.29</b>	<b>1,419.84</b>	<b>5,668.85</b>	<b>4,451.90</b>	<b>6,244.20</b>
12	Extraordinary Items (net of tax expenses Rs. __)	-	-	-	-	-
13	<b>Net Profit(+)/ Loss (-) for the period</b>	<b>2,017.29</b>	<b>1,419.84</b>	<b>5,668.85</b>	<b>4,451.90</b>	<b>6,244.20</b>
14	Paid-up equity share capital (Face value Rs.10/- each)	1,898.22	1,897.84	1,898.22	1,897.84	1,897.91
15	Reserves excluding revaluation reserves	24,086.09	14,054.51	24,086.09	14,054.51	18,340.23
16	<b>Earnings per share (in Rs.)</b>					
	<b>a. Basic and diluted EPS before Extraordinary items</b>					
	i) Basic	10.628	7.484	29.867	23.466	32.910
	ii) Diluted	10.626	7.479	29.857	23.431	32.870
	<b>a. Basic and diluted EPS after Extraordinary items</b>					
	i) Basic	10.628	7.484	29.867	23.466	32.910
	ii) Diluted	10.626	7.479	29.857	23.431	32.870
17	<b>Public Shareholding</b>					
	a. Number of shares	623,485,793	647,487,418	623,485,793	647,487,418	647,558,268
	b. Percentage of shareholding	32.85%	34.12%	32.85%	34.12%	34.12%

1. The above financial results for the third quarter and nine months ended December 31, 2008 have been reviewed by the Audit Committee in its meeting held on January 21, 2009 and approved by the Board of Directors in its meeting held on January 22, 2009.

2. 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.
3. Previous year's / periods' figures have been regrouped / rearranged, wherever required.
4. During the quarter ended December 31, 2008 the Company has allotted 1,14,590 new equity 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. 1,898.10 crore to Rs. 1,898.22 crore as on December 31, 2008.
5. Reserves and surplus as at December 31, 2008 include Rs. 97.01 crore for the Company and Rs 114.79 crore for the Group, towards employee stock option outstanding (net of the related deferred cost) account.
6. In August, 2008 Bharti Infratel Limited, a subsidiary company of Bharti Airtel, has issued 540,445,950 fully paid up bonus shares in ratio of 1:9999 shares (face value of Rs. 10 each) by utilization of its share premium account.
7. During the quarter, the Company contributed Rs. 110.66 crore (SGD 33.5 Mn) in its wholly owned subsidiary Bharti Airtel Holdings (Singapore) Pte. Ltd. towards equity for financing the operations of the Company's international subsidiaries.
8. During the quarter ended December 31, 2008, Bharti Telemedia Limited, a subsidiary of Bharti Airtel Limited launched its Direct to Home Satellite TV services under the brand Airtel Digital TV.
9. As reported in the last quarter, the Company has followed the accounting policy to adjust foreign exchange fluctuation on loans/liability for fixed assets till June 30, 2008, as per the requirement of Schedule VI of the Companies Act, 1956 based on legal advice. During the nine months period, effective April 1, 2008, the Company has adopted 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. Instead of capitalizing / decapitalizing such fluctuation, as per policy hitherto followed, the Company has charged/credited such fluctuations directly to the Profit & Loss Account.  
  
Had the Company continued with its earlier policy, net profit after tax would have been higher by Rs. 245.09 crore and Rs. 900.12 crore for the quarter and nine months ended December 31, 2008, respectively, for the Company and the net profit after tax would have been higher by Rs. 248.42 crore and Rs. 929.94 crore for the quarter and nine months ended December 31, 2008, respectively, for the Group.
10. The Company received the order of the Hon'ble Delhi High Court for amalgamation of Bharti Aquanet Limited (Aquanet), a wholly owned subsidiary, with Bharti Airtel Limited (Airtel). The said order has been filed with the Registrar of Companies, N.C.T. of Delhi & Haryana, on January 1, 2009 and accordingly Aquanet has amalgamated with Airtel with effect from that date.
11. Status of investor complaints as on December 31, 2008 is as follows:

Complaints pending as on October 1, 2008	Nil
Complaints received during the quarter	10
Complaints resolved during the quarter	10
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Pending as on December 31, 2008	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
	2008	2007	2008	2007	March 31, 2008
	Audited	Audited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
Net sale/income from each segment					
a) Mobile Services	7,384.24	5,318.33	20,636.88	14,584.81	20,603.05
b) Telemedia Services	834.52	723.76	2,461.05	2,080.65	2,840.00
c) Enterprise Services - Carriers	1,760.13	1,128.98	5,010.86	3,091.77	4,340.89
d) Enterprise Services - Corporates	379.58	317.86	1,117.48	898.94	1,264.47
e) Others	0.18	1.38	36.06	4.11	4.99
<b>Total</b>	<b>10,358.65</b>	<b>7,490.31</b>	<b>29,262.33</b>	<b>20,660.28</b>	<b>29,053.40</b>
Less: Inter Segment Eliminations	1,508.40	807.74	4,156.96	2,167.73	3,114.03
<b>Net sales/Income</b>	<b>8,850.25</b>	<b>6,682.57</b>	<b>25,105.37</b>	<b>18,492.55</b>	<b>25,939.37</b>
<b>2. Segment Results</b>					
Profit/(Loss) before tax and interest from each segment					
a) Mobile Services	1,705.99	1,437.17	4,629.32	3,996.64	5,538.82
b) Telemedia Services	197.54	158.75	618.89	423.16	613.62
c) Enterprise Services - Carriers	686.74	288.05	1,916.73	845.92	1,160.07
d) Enterprise Services - Corporates	116.27	121.34	417.00	333.11	505.47
e) Others	(146.91)	(88.70)	(323.68)	(247.47)	(361.72)
<b>Total profit/(loss) before tax and interest</b>	<b>2,559.63</b>	<b>1,916.61</b>	<b>7,258.26</b>	<b>5,351.36</b>	<b>7,456.26</b>
Less :					
i) Interest	401.66	468.23	1,419.18	203.63	483.71
<b>Total profit before tax</b>	<b>2,157.97</b>	<b>1,448.38</b>	<b>5,839.08</b>	<b>5,147.73</b>	<b>6,972.55</b>
<b>3. Capital Employed</b>					
(Segment assets - Segment liabilities)					
a) Mobile Services	6,017.53	9,652.69	6,017.53	9,652.69	5,299.83
b) Telemedia Services	3,887.95	3,122.05	3,887.95	3,122.05	3,375.77
c) Enterprise Services - Carriers	3,556.50	2,659.81	3,556.50	2,659.81	3,058.49
d) Enterprise Services - Corporates	502.50	401.93	502.50	401.93	501.22
e) Others	11,524.79	415.10	11,524.79	415.10	8,070.05
<b>Total</b>	<b>25,489.27</b>	<b>16,251.58</b>	<b>25,489.27</b>	<b>16,251.58</b>	<b>20,305.36</b>

For Bharti Airtel Limited

New Delhi  
January 22, 2009

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](http://www.bhartiairtel.in)