

WIPRO LIMITED AND SUBSIDIARIES

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH U.S. GAAP
AS OF AND FOR THE
QUARTER ENDED JUNE 30, 2007 AND 2008**

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
(in millions, except share data)

ASSETS	NOTE	As of June 30,			As of March 31,	
		2007	2008	2008	2008	
		(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)		
Current assets:						
Cash and cash equivalents	Rs.	18,020	18,348	\$ 427	Rs.	39,270.00
Investments in liquid and short-term mutual funds		25,630	46,150	1,075		14,808.00
Accounts receivable, net of allowances		27,911	41,428	965		38,908.00
Unbilled revenue		6,090	11,648	271		8,305.00
Inventories		4,426	8,392	195		7,172.00
Deferred income taxes		428	1,102	26		790.00
Other current assets		11,991	20,475	477		19,092.00
Total current assets		94,496	147,543	3,437		128,345
Property, plant and equipment, net		28,083	42,743	996		39,822
Investments in affiliates		1,295	1,451	34		1,343
Investments securities		357	356	8		355
Deferred income taxes		63	336	8		-
Intangible assets, net		2,495	12,370	288		12,480
Goodwill		12,348	41,545	968		38,943
Other assets		3,050	3,148	73		3,214
Total assets	Rs.	142,187	249,491	\$ 5,812	Rs.	224,502
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities						
Short term borrowings from banks	Rs.	730	34,474	\$ 803	Rs.	28,804
Current portion of long-term debt		436	355	8		406
Current portion of obligations under capital leases			337	8		323
Accounts payable		9,363	15,184	354		13,082
Accrued expenses		4,735	9,952	232		8,110
Accrued employee costs		5,368	5,193	121		5,160
Advances from customers		1,431	2,514	59		2,136
Unearned revenue		1,209	4,626	108		4,162
Other current liabilities		7,438	22,310	520		12,519
Total current liabilities		30,710	94,945	2,212		74,702
Long-term debt, excluding current portion		286	14,743	343		14,522
Obligations under capital leases, excluding current portion		-	685	16		701
Deferred income taxes		593	1,749	41		2,098
Other liabilities		1,991	5,559	129		3,011
Total liabilities		33,580	117,681	2,741		95,034
Minority interest		54	132	3		114
Stockholders' equity:						
Equity shares at Rs. 2 par value: 1,650,000,000 shares authorized; Issued and outstanding: 1,461,453,320, 1,459,113,115 and 1,462,008,502 shares as of March 31, 2008, June 30, 2007 and 2008		2,918	2,924	68		2,923
Additional paid-in capital		24,860	26,904	627		26,441
Accumulated other comprehensive income		(277)	(7,355)	(171)		(1,076)
Retained earnings		81,052	109,205	2,544		101,066
Equity shares held by a controlled Trust: 7,961,760, 7,961,760 and 7,961,760 shares as of March 31, 2008, June 30, 2007 and 2008		-	-	-		-
Total stockholders' equity		108,553	131,678	3,067		129,354
Total liabilities and stockholder's equity	Rs.	142,187	249,491	\$ 5,812	Rs.	224,502

See accompanying notes to the unaudited condensed consolidated financial statements.

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except share data)

	2007	Quarter Ended June 30,		2008	2008
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)
Revenues:					
Services.....	Rs. 32,027	Rs. 44,604	\$ 1,039		
Products.....	9,805	15,019	350		
Total.....	41,832	59,623	1,389		
Cost of revenues:					
Services.....	21,200	29,470	686		
Products.....	8,069	11,930	278		
Total.....	29,269	41,400	964		
Gross profit.....	12,563	18,223	424		
Operating expenses:					
Selling and marketing expenses.....	(2,761)	(4,433)	(103)		
General and administrative expenses.....	(2,060)	(3,254)	(76)		
Amortization of intangible assets.....	(105)	(227)	(5)		
Foreign exchange gains/(losses), net.....	(852)	(689)	(16)		
Others, net.....	80	132	3		
Operating income.....	6,865	9,752	227		
Other income, net.....	991	(272)	(6)		
Equity in earnings of affiliates.....	87	107	2		
Income before income taxes and minority interest.....	7,943	9,587	223		
Income taxes.....	(839)	(1,436)	(33)		
Minority interest.....	-	(12)	(0)		
Net income.....	Rs. 7,104	Rs. 8,139	\$ 190		
Earnings per equity share					
Basic.....					
Net income	4.90	5.60	0.13		
Diluted.....					
Net income	4.87	5.59	0.13		
Weighted average number of equity shares used in computing earnings per equity share:					
Basic.....	1,449,892,856	1,452,636,163			
Diluted.....	1,457,885,337	1,456,715,277			

See accompanying notes to the unaudited condensed consolidated financial statements.

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(in millions, except share data)

	Equity Shares		Additional Paid in Capital	Deferred Stock Compensation	Comprehensive Income	Accumulated Other Comprehensive Income/(loss)	Retained Earnings	Equity Shares held by a Controlled Trust		Total Stockholders' Equity
	No of shares	Amount						No of shares	Amount	
Balance as of March 31, 2008	1,461,453,320	Rs. 2,923	Rs. 26,441	Rs. -		Rs. (1,076)	Rs. 101,066	(7,961,760)	Rs. (0)	Rs. 129,354
Cash dividends (unaudited)	-	-	-	-	-	-	-	-	-	-
Issuance of equity shares on exercise of options (unaudited)	555,182	1,11	127	-	-	-	-	-	-	128
Compensation cost related to employee stock incentive plan (note 5) (unaudited)	-	-	336	-	-	-	-	-	-	336
Comprehensive Income										
Net income (unaudited)	-	-	-	-	8,139	-	8,139	-	-	8,139
Other comprehensive income/(loss)										
Translation adjustments (unaudited)	-	-	-	-	929	-	-	-	-	929
Unrealised gain on investment securities, net (net of tax effect of Rs. (6)) (unaudited)	-	-	-	-	12	-	-	-	-	12
Unrealised gain on cash flow hedging derivatives(net of tax effect of Rs. (1027)	-	-	-	-	(7,219)	-	-	-	-	(7,219)
Total other comprehensive income/(loss) (unaudited)					(6,279)					
Comprehensive income (unaudited)					1,860					
Balance as of June 30, 2008 (unaudited)	1,462,008,502	Rs. 2,924	Rs. 26,904	Rs. -		Rs. (7,355)	Rs. 109,205	(7,961,760)	Rs. (0)	Rs. 131,678
Balance as of June 30., 2008 (\$) (unaudited)		\$ 68	\$ 627	\$ -		\$ (171)	\$ 2,544		\$ (0)	\$ 3,067

WIPRO LIMITED AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Three months ended June 30,		
	2007	2008	2008
	(unaudited)	(unaudited)	Convenience translation into US\$ (unaudited)
Cash flows from operating activities:			
Net income.....	Rs. 7,105	Rs. 8,139	\$ 190
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of property, plant and equipment.....	(159)	(5)	(0)
Depreciation and amortization.....	1,290	1,811	42
Deferred tax charge/(benefit).....	102	(10)	(0)
Unrealised exchange (gain) / loss.....	(380)	1,358	32
Gain on sale of investments securities.....	(351)	(142)	(3)
Amortization of stock compensation.....	312	336	8
Equity in earnings of affiliates.....	(87)	(107)	(3)
Minority interest.....	-	12	0
Changes in operating assets and liabilities:			
Accounts receivable.....	230	(1,983)	(46)
Costs and earnings in excess of billings on contracts in progress.....	(993)	(3,343)	(78)
Inventories.....	(275)	(1,220)	(28)
Other assets.....	(1,346)	10	0
Accounts payable.....	(625)	1,738	40
Accrued expenses and employee costs.....	(223)	1,875	44
Advances from customers & Unearned revenue.....	(493)	841	20
Other liabilities.....	(389)	625	15
Net cash provided by operating activities.....	<u>3,718</u>	<u>9,937</u>	<u>231</u>
Cash flows from investing activities:			
Expenditure on property, plant and equipment.....	(2,979)	(4,241)	(99)
Proceeds from sale of property, plant and equipment.....	232	91	2
Purchase of investments.....	(32,373)	(131,096)	(3,054)
Proceeds from sale of investments.....	39,438	99,912	2,327
Investments in inter-corporate deposits.....	150	(250)	(6)
Payment for acquisitions, net of cash acquired.....	(65)	(81)	(2)
Net cash provided by/(used in) investing activities.....	<u>4,403</u>	<u>(35,666)</u>	<u>(831)</u>
Cash flows from financing activities:			
Proceeds from issuance of equity shares.....	49	128	3
Proceeds from issuance of equity shares by a subsidiary.....	54	0	0
Proceeds from/(repayments of) short-term borrowing, net.....	(1,756)	4,190	98
Repayment of long-term debt.....	(574)	(53)	(1)
Proceeds from long-term debt.....	-	138	3
Payment of cash dividend.....	(271)	0	0
Net cash provided by/(used in) financing activities.....	<u>(2,498)</u>	<u>4,403</u>	<u>103</u>
Net increase in cash and cash equivalents during the period.....	5,623	(21,326)	(497)
Effect of exchange rate changes on cash.....	(15)	405	9
Cash and cash equivalents at the beginning of the period.....	12,412	39,270	915
Cash and cash equivalents at the end of the period.....	<u>Rs. 18,020</u>	<u>Rs. 18,348</u>	<u>\$ 427</u>
Supplementary information:			
Cash paid for interest.....	Rs. 131	Rs. 619	\$ 14
Cash paid for taxes.....	1,264	(1,427)	(33)

See accompanying notes to the unaudited condensed consolidated financial statements.

WIPRO LIMITED AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in millions, except share data and where otherwise stated)

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Wipro Limited ("Wipro" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States.

Information presented in the consolidated financial statements has been prepared by the management without audit and, in the opinion of management, includes all adjustments of a normal recurring nature that are necessary for the fair presentation of the financial position, results of operations and cash flows for the periods shown, and is in accordance with U.S. GAAP. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's annual report on Form 20-F for the fiscal year ended March 31, 2008.

The accompanying unaudited condensed consolidated financial statements have been prepared in Indian rupees, the national currency of India. Solely for the convenience of the readers, the financial statements as of and for the three months ended June 30, 2008 have been translated into United States dollars at the noon buying rate in New York City on June 30, 2008 for cable transfers in Indian rupees, as certified for customs purposes by the Federal Reserve Bank of New York of \$1= Rs.42.93. No representation is made that the Indian rupee amounts have been, could have been or could be converted into United States dollars at such a rate or any other rate.

NOTE 2: DERIVATIVE AND HEDGE ACCOUNTING

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted cash flows denominated in foreign currency and net investments in foreign operations. The Company follows established risk management policies, including the use of derivatives to hedge foreign currency assets / liabilities, foreign currency forecasted cash flows and net investments in foreign operations. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

In accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, the Company recognizes all derivatives as assets or liabilities measured at their fair value, regardless of the purpose or intent of holding them. In respect of derivatives designated and effective as cash flow hedges, gains or losses resulting from changes in the fair value are deferred and recorded as a component of accumulated other comprehensive income within stockholder's equity until the hedged transaction occurs and are then recognized in the consolidated statements of income along with the hedged item.

The Company also designates foreign currency forward contracts and net purchased options as hedges of net investments in foreign operations. The effective portion of the hedge is recognized in translation adjustments in other comprehensive income and transferred to consolidated statement of income upon sale or disposal of the foreign operation.

As of June 30, 2008, the Company had foreign currency denominated borrowings and related Cross-Currency Swap (CCS), which are in substance hedge of net investment in foreign operations. However, this transaction does not qualify as a hedge under U.S. GAAP. Accordingly, the translation loss on foreign currency borrowings and the change in fair value of CCS aggregating to Rs. 660 million has recorded in the profit and loss account.

As of June 30, 2008, a loss of Rs. 9,344 relating to changes in fair value of forward contracts/options, designated as hedge of forecasted transactions, is included as a component of other comprehensive income/loss within stockholders' equity. The Company has also recognised a mark to market loss of Rs. 2,613 relating to changes in fair value of derivative financial instruments, designated as hedges of net investment in non-integral foreign operations in translation adjustments in other comprehensive income.

NOTE 3: STOCK BASED COMPENSATION

The Company has granted 8,311,634 Options under RSU Options Plan and 120,000 options under Stock Options Plan during the quarter ended June 30, 2008. A recent amendment to the Indian tax regulations requires the Company to pay a Fringe Benefit Tax (FBT) on exercise of employee stock options. The Fringe Benefit Tax is computed based on the fair market value of the underlying equity share on the date of vesting of an option as reduced by the amount actually paid by the employee for exercise of the options. The tax laws permit the employer to recover the FBT from the employee as the tax relates to benefits accruing to the employee. The Company has modified its employee stock option plans to recover the FBT from the employees. The recovery of FBT from the employees is directly linked to the exercise of the stock option and is recorded as an additional component of the exercise price of the options based on the guidance previously provided by Issue 15 of EITF Issue No. 00-23, Issues Related to the Accounting for Stock Compensation under APB Opinion No. 25 and FASB Interpretation No. 44.

The fair value of each option granted has been determined using the Binomial option pricing model. The Binomial model includes assumptions regarding dividend yields, expected volatility, expected terms, risk free interest rates and expected Fringe Benefit Tax recovery. These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years.

NOTE 4: SEGMENT INFORMATION

Until March 31, 2008, the Company was organized by segments, including Global IT Services and Products (comprising of IT Services and BPO Services segments), India and AsiaPac IT Services and Products, Consumer Care and Lighting and 'Others'. The Chairman of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined by SFAS No. 131, Disclosure about Segments of an Enterprise and Related Information. The Chairman of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed.

In April 2008 the Company re-organized its IT businesses by combining the Global IT Services and products business and the India and AsiaPac IT Services and Products business and appointed joint CEOs for the combined IT business. Consequent to the reorganization the Company identified IT Services and IT Products as the new reportable segments. There is no change in the reportable segments for other businesses. Segment information in respect of earlier period has been revised to conform to the presentation as per new reportable segments.

IT Services segment provides IT and IT enabled services to the customers. Key service offering include software application development, application maintenance, research and development services for hardware and software design, data center outsourcing services and business process outsourcing services.

IT products segment sells range of Wipro personal desktop computers, Wipro servers and Wipro notebooks and is a value added reseller of desktops, servers, notebooks, storage products, networking solutions and packaged software for leading international brands.

The Consumer Care and Lighting segment manufactures, distributes and sells soaps, personal care products, lighting products and hydrogenated cooking oils for the Indian and Asian market.

'Others' consist of business segments that do not meet the requirements individually for a reportable segment as defined in SFAS No. 131. Corporate activities such as treasury, legal and accounting, which do not qualify as operating segments under SFAS No. 131 have been considered as reconciling items. Additionally, fringe benefit tax, which is an expenditure related tax, incurred by the Company is not allocated to individual segments and is reported as a reconciling item.

Segment data for previous periods has been reclassified on a comparable basis.

Information on reportable segments is as follows:

Quarter ended June 30, 2007 (unaudited)

	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Revenues.....	Rs. 32,027	Rs. 4,577	Rs. 36,604	Rs. 2,221	Rs. 3,007	Rs. -	Rs. 41,832
Exchange rate fluctuations.....	(567)	(25)	(592)	-	8	584	-
Total revenues.....	31,460	4,552	36,012	2,221	3,015	584	41,832
Cost of revenues.....	(21,200)	(3,993)	(25,193)	(1,472)	(2,604)	-	(29,269)
Selling and marketing expenses	(1,922)	(261)	(2,183)	(393)	(164)	(21)	(2,761)
General and administrative expenses.....	(1,761)	(118)	(1,879)	(35)	(126)	(21)	(2,061)
Amortization of intangible assets.....	(73)	(8)	(81)	(19)	(5)	-	(105)
Exchange rate fluctuations.....	-	-	-	-	-	(852)	(852)
Others, net.....	37	14	50	3	23	5	81
Operating income of segment.....	Rs. 6,541	Rs. 185	Rs. 6,726	Rs. 305	Rs. 139	Rs. (305)	Rs. 6,865
Closing capital employed.....			61,575	2,961	5,363	40,216	110,115
Return on capital employed.....			44%	40%			26%
Opening capital employed			59,835	3,094	5,659	36,661	105,249
Average Capital Employed.....			60,705	3,027	5,511	38,439	107,682

Information on reportable segments is as follows:

Quarter ended June 30, 2008 (unaudited)							
	IT Services and Products			Consumer Care and Lighting	Others	Reconciling Items	Entity Total
	IT Services	IT Products	Total				
Revenues.....	Rs. 44,603	Rs. 6,970	Rs. 51,573	Rs. 4,758	Rs. 3,291	Rs. -	Rs. 59,623
Exchange rate fluctuations.....	(670)	(13)	(683)	(12)	(6)	701	-
Total revenues.....	43,933	6,957	50,890	4,746	3,285	701	59,623
Cost of revenues.....	(29,347)	(6,347)	(35,694)	(2,655)	(2,926)	(125)	(41,400)
Selling and marketing expenses	(2,933)	(216)	(3,149)	(1,156)	(92)	(36)	(4,433)
General and administrative expenses.....	(2,701)	(109)	(2,810)	(303)	(96)	(45)	(3,254)
Amortization of intangible assets.....	(186)	15	(171)	(42)	(14)	-	(227)
Exchange rate fluctuations.....	-	-	-	-	-	(689)	(689)
Others, net.....	55	5	59	15	50	8	132
Operating income of segment (1).....	Rs. 8,820	Rs. 305	Rs. 9,125	Rs. 605	Rs. 208	Rs. (186)	Rs. 9,752
Capital employed closing.....			95,397	19,212	9,285	58,511	182,401
Capital employed opening.....			99,673	19,308	6,990	48,219	174,190
Average capital employed.....			97,535	19,260	8,138	53,365	178,296
Return on capital employed.....			37%	13%	-	-	22%

Information on reportable segments is as follows:

- (1) Operating income of segments is after amortization of stock compensation expense arising from the grant of options:

Segments	Three months ended June 30,	
	2007	2008
	(unaudited)	(unaudited)
IT Services.....	Rs. 279	Rs. 288
IT Products	18	20
Consumer Care and Lighting	6	18
Others.....	3	3
Reconciling.....	5	8

- (2) Return on capital employed is computed based on the average of the capital employed at the beginning and at the end of the period.

The Company has four geographic segments: India, United States, Europe and Rest of the world. Revenues from the geographic segments based on domicile of the customer are as follows:

	Three months ended June 30,	
	2007	2008
	(unaudited)	(unaudited)
India.....	Rs. 9,427	Rs. 11,964
United States.....	19,954	26,877
Europe.....	10,545	14,473
Rest of the world.....	1,906	6,308
	<u>Rs. 41,832</u>	<u>Rs. 59,622</u>