

BHARTI TELE-VENTURES 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, 2005

1. Un-audited consolidated summarised financial results of Bharti-Tele-Ventures Limited and its subsidiaries prepared as per United States Generally Accepted Accounting Principles (US GAAP)

(Amount in Rs. Crores, except ratios)

Particulars	Quarter Ended			Nine Months Ended		
	December 2005	December 2004	Y-o-Y Growth	December 2005	December 2004	Y-o-Y Growth
Total revenues	3,025.60	2,131.94	42%	8,251.97	5,677.26	45%
EBITDA	1,120.04	794.43	41%	3,081.89	2,107.80	46%
Cash profit from operations	1,027.66	797.62	29%	2,890.17	1,988.04	45%
Earnings/(loss) before taxation	638.60	474.85	34%	1,816.16	1,147.59	58%
Current tax expense/ (income)	53.40	27.70		145.52	61.72	
Earnings/(loss) after current tax expense	585.20	447.15	31%	1,670.64	1,085.87	54%
Deferred tax expense / (income)	32.40	8.08		73.21	44.41	
Net profit / (loss)	545.33	436.33	25%	1,576.18	1,038.72	52%
EBITDA / Total revenues	37.0%	37.3%		37.3%	37.1%	

2. Audited consolidated summarised financial results of Bharti-Tele-Ventures Limited and its subsidiaries prepared as per Indian Generally Accepted Accounting Principles (IGAAP)

(Amount in Rs. crores)

Particulars	Quarter ended December 31, 2005	Quarter ended December 31, 2004	Nine Months Ended December 31, 2005	Nine Months Ended December 31, 2004	Year ended March 31, 2005
	Audited	Audited	Audited	Audited	Audited
	Service Revenue	2,994.73	2,130.64	8,171.44	5,706.06
Sales of Goods	31.99	27.68	96.97	77.47	104.64
Other Income	18.43	13.25	46.85	38.26	43.48
Total Income	3,045.15	2,171.57	8,315.26	5,821.79	8,155.78
Profit including Other Income and before Finance Expenses /(Income) (Net), Depreciation, Amortisation, Pre-operative Expenditure, Charity and Donation and Taxation	1,134.70	799.45	3,121.16	2,139.14	3,065.80
Finance expenses (net)	72.09	21.99	187.34	191.41	243.92
Depreciation	379.79	285.00	1,043.32	732.08	1,044.15
Amortisation	43.08	52.09	116.56	154.89	144.03
Preoperative Expenditure Written off	0.77	15.85	1.98	38.17	47.39
Charity & Donation	0.82	1.01	1.01	1.87	3.11
Profit Before tax	638.15	423.52	1,770.95	1,020.71	1,583.19
Tax Expenses/ (Income)					
- Current tax	48.52	33.05	132.95	(28.86)	13.09
- Fringe Benefit Tax	4.95	0.00	12.83	0.00	0.00
- Deferred tax	34.54	68.60	83.39	192.85	346.45
Profit After Tax	550.14	321.87	1,541.78	856.73	1,223.66
Minority Interest	6.61	4.29	20.63	6.59	12.09
Profit for the period	543.53	317.58	1,521.15	850.14	1,211.57

Notes:

- Financials for the year ended March 31, 2005 are consolidated post merger audited figures.
- Financials for the quarter and nine months ended December 31, 2004 are pre merger published figures.

3. Summary of differences in net profit/ (loss) between US GAAP (Un-audited) and Indian GAAP (Audited)

(Amount in Rs. Crores)

Particulars	Quarter Ended	Nine Month Ended
	December 31, 2005	December 31, 2005
Net profit / (loss) as per US GAAP	545.33	1,576.18
Add: Differences on account of:		
Minority Interest and loss of Joint Venture	0.89	0.82
Differences in accounting for finance charges	16.99	3.84
Remeasurement of financial instruments not applicable in IGAAP	3.64	0.57
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP.	2.05	15.62
Less: Differences on account of:		
Being difference in revenue recognition	1.96	1.30
Deferred Tax expense	2.11	10.14
Amortisation of Goodwill/ Intangibles	6.77	20.21
License fee amortisation	14.53	44.21
Consolidation of ESOP Trust	0.00	0.01
Net profit/(loss) as per Indian GAAP	543.53	1,521.15

4. **Bharti Tele-Ventures Limited - Audited financial results for the third quarter and nine months ended December 31, 2005 as per Indian GAAP (as Stand alone entity)**

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

S. No.	Particulars	Quarter Ended December 31,		Nine Months Ended December		Year ended
		2005	2004	2005	2004	March 31, 2005
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	2,919.08	0.00	7,958.33	0.00	7,903.02
2	Other Income	16.95	28.16	41.85	78.81	41.17
	Total Revenue	2,936.03	28.16	8,000.18	78.81	7,944.19
3	Total Expenditure	1,875.02	16.01	5,085.05	40.73	5,114.63
	(a) Increase/ (Decrease) in stock in trade*	0.00	0.00	0.00	0.00	0.00
	(b) Consumption of raw materials*	0.00	0.00	0.00	0.00	0.00
	(c) Staff Cost	192.52	7.28	553.54	22.24	508.80
	(d) Other Expenditure	1,682.50	8.73	4,531.51	18.49	4,605.83
4	Interest	73.76	(15.13)	187.05	33.83	245.92
5	Depreciation	365.64	1.01	1,009.45	3.03	1,019.36
6	Profit/(Loss) before tax	621.61	26.27	1,718.63	1.23	1,564.28
7	Provision for Taxation written back for previous years	0.00	0.00	0.00	0.00	0.00
8	Provision for Taxation	82.93	0.10	217.80	0.10	353.60
	-Current Tax	46.29	0.10	126.12	0.10	8.60
	-Fringe Benefit Tax	4.79	0.00	12.40	0.00	0.00
	-Deferred Tax	31.85	0.00	79.28	0.00	345.00
9	Net profit/(loss) after tax	538.68	26.17	1,500.83	1.13	1,210.68
10	Paid-up equity share capital (Face value Rs.10/- each)	1,890.06	1,853.37	1,890.06	1,853.37	1,856.09
11	Reserves excluding revaluation reserves	4,876.69	2,946.69	4,876.69	2,946.69	2,675.38
12	Earnings per share (in Rs.)					
	a. Basic	2.852	0.141	7.990	0.006	6.532
	b. Diluted	2.852	0.050	7.956	0.006	6.444
13	Aggregate of Non-promoter shareholding					
	a. Number of shares	1,028,774,426	989,280,917	1,028,774,426	989,280,917	992,180,739
	b. Percentage	54.43%	53.38%	54.43%	53.38%	53.53%
	Items exceeding 10% of total expenditure					
	(a) Licence Fees & Spectrum Charges (Revenue Share)	292.79	0.00	793.57	0.00	763.15
	(b) Access & Interconnection Charges	551.08	0.00	1,516.90	0.00	1,683.17
	(c) Network Operating Expenses	293.81	0.00	797.59	0.00	680.05
	(d) Sales & Marketing	197.14	0.00	571.19	0.00	636.34

*Item 3(a) & 3(b) are not applicable

- Financials for the year ended March 31, 2005 are post merger audited figures.
- Financials for the quarter and nine months ended December 31, 2004 are pre merger published figures.
- The above financial results for the third quarter (Q3 05-06) ended December 31, 2005 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on January 24, 2006 at Mumbai.
- "Reserves & Surplus" as at December 31, 2005, includes Rs. 35.71 crores towards employee stock option outstanding account.
- During the quarter, Vodafone Group through Vodafone Mauritius Limited acquired shares in Bharti Enterprises Limited (an unlisted group company), which gives them a beneficial stake of 4.4% in the Company. Vodafone also acquired 5.6% stake in the Company from Warburg Pincus, thereby taking its beneficial interest in the Company to 10.00%.
- During the quarter, the Company allotted 60,03,530 Equity Shares upon conversion of USD 32.136 Million Zero Coupon Convertible Bonds due 2009 (FCCBs) issued by the Company vide its Offering Circular dated May 12, 2004. Subsequently, the Company has allotted 28,60,159 Equity shares upon conversion USD 15.310 Million FCCBs on January 12, 2006. Outstanding FCCBs as on date are USD 25.372 Million.
- 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 figures have been regrouped/rearranged to conform to current period's classification.
- There were no pending complaints at the beginning of the quarter. During the quarter the company received one (1) complaint, which was resolved successfully.

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

(Amount in Rs. Crores)

Particulars	Quarter Ended	Nine Months Ended	Year ended March
	December 31,	December 31,	31, 2005
	2005	2005	
	Audited	Audited	Audited
1. Segment Revenue			
Net sale/income from each segment			
a) Mobile Services	2,087.85	5,597.16	5,356.90
b) Broadband & Telephone Services	385.83	1,095.44	1,130.72
c) Long Distance Services	632.82	1,712.02	1,868.82
d) Enterprise Services	158.11	428.56	497.02
e) Others	3.03	6.93	37.96
Total	3,267.64	8,840.11	8,891.42
Less: Inter Segment Eliminations	(331.61)	(839.93)	(947.23)
Net sales/Income from operations	2,936.03	8,000.18	7,944.19
2. Segment Results			
Profit/(Loss) before tax and interest from each segment			
a) Mobile Services	481.18	1,254.06	993.15
b) Broadband & Telephone Services	8.31	81.17	143.75
c) Long Distance Services	180.00	491.82	468.62
d) Enterprise Services	50.76	147.38	236.22
e) Others	(24.88)	(68.75)	(31.54)
Total	695.37	1,905.68	1,810.20
Less: Inter Segment Eliminations	0.00	0.00	0.00
Total profit/(loss) before tax and interest	695.37	1,905.68	1,810.20
Less :			
i) Interest	73.76	187.05	245.92
ii) Other Un-allocable Expenditure net off Un-allocable	0.00	0.00	0.00
Total profit before tax	621.61	1,718.63	1,564.28
3. Capital Employed			
(Segment assets - Segment liabilities)			
a) Mobile Services	3,083.09	3,083.09	2,141.71
b) Broadband & Telephone Services	1,928.81	1,928.81	1,422.51
c) Long Distance Services	1,078.25	1,078.25	753.39
d) Enterprise Services	454.25	454.25	245.61
e) Others	323.82	323.82	4.09
Total	6,868.22	6,868.22	4,567.31

Notes:

1. The company did not have any operating segment in the quarter and nine months ended December 31, 2004.
2. Financials for the year ended March 31, 2005 are post merger audited figures.

For Bharti Tele-Ventures Limited

Mumbai
January 24, 2006

Sunil Bharti Mittal
Chairman & Managing Director

"BTVL", or "the Company" wherever stated stands for Bharti Tele-Ventures Limited.
For more details on the financial results, please visit website www.bhartiteleventures.com