

BHARTI AIRTEL LIMITED

[Formerly known as Bharti Tele-Ventures Limited]

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

Financial results for the fourth quarter and full year ended March 31, 2006

1. Un-audited 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			Full Year Ended		
	March 2006	March 2005	Y-o-Y Growth	March 2006	March 2005	Y-o-Y Growth
Total revenues	3,411.33	2,325.51	47%	11,663.30	8,002.78	46%
EBITDA	1,278.22	905.00	41%	4,360.11	3,012.80	45%
Cash profit from operations	1,204.91	825.20	46%	4,095.08	2,813.24	46%
Earnings/(loss) before taxation	741.32	512.84	45%	2,557.48	1,660.43	54%
Current tax expense/ (income)	51.31	32.79		196.83	94.51	
Earnings/(loss) after current tax expense	690.01	480.05	44%	2,360.65	1,565.92	51%
Deferred tax expense / (income)	3.57	13.87		76.78	58.29	
Net profit	682.31	459.07	49%	2,258.49	1,497.79	51%
EBITDA / Total revenues	37.5%	38.9%		37.4%	37.6%	

2. Audited 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 March 31, 2006	Quarter ended March 31, 2005	Year Ended March 31, 2006	Year Ended March 31, 2005
	Audited	Audited	Audited	Audited
Service Revenue	3,367.83	2,301.61	11,539.26	8,007.66
Sales of Goods	27.85	27.17	124.82	104.64
Other Income	14.57	5.22	61.41	43.48
Total Income	3,410.25	2,334.00	11,725.49	8,155.78
Profit including Other Income and before Finance Expenses /(Income) (Net), Depreciation, Amortisation, Pre-operative Expenditure, Charity and Donation and Taxation	1,103.84	926.66	4,225.00	3,065.80
Finance expenses (net)	37.07	52.51	224.41	243.92
Depreciation	438.60	312.07	1,481.92	1,044.15
Amortisation	43.40	(10.86)	159.96	144.03
Preoperative Expenditure Written off	0.99	9.22	2.97	47.39
Charity & Donation	9.25	1.24	10.25	3.11
Profit Before tax	574.53	562.48	2,345.49	1,583.19
Tax Expenses/ (Income)				
- Current tax	44.43	41.94	177.39	13.09
- Fringe Benefit Tax	6.93	0.00	19.76	0.00
- Deferred tax	10.35	153.61	93.74	346.45
Profit After Tax	512.82	366.93	2,054.60	1,223.66
Minority Interest	6.03	5.49	26.65	12.09
Profit for the period	506.79	361.44	2,027.95	1,211.57

Notes

1. Figures for the year ended March 31, 2005 are post merger audited numbers.

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

(Amount in Rs. crore)

Particulars	Quarter Ended	Full Year Ended
	March 31, 2006	March 31, 2006
Net profit / (loss) as per US GAAP [Un-audited]	682.31	2,258.49
Add: Differences on account of:		
Differences in accounting for finance charges	34.68	38.51
Remeasurement of financial instruments not applicable in IGAAP	0.27	0.84
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP.	18.87	34.49
Less: Differences on account of:		
Being difference in revenue recognition	12.78	14.08
Deferred Tax expense	7.13	17.27
Amortisation of Goodwill/ Intangibles	6.62	26.83
License fee amortisation	14.72	58.93
Significant Non Frequent Item- Punjab Licence Fees Write off	186.50	186.50
Minority Interest and loss of Joint Venture	1.58	0.77
Consolidation of ESOP Trust	0.01	0.01
Net profit/(loss) as per Indian GAAP [Audited]	506.79	2,027.95

4. **Bharti Airtel Limited - Audited financial results for the fourth and full year ended March 31, 2006 as per Indian GAAP (as Stand alone entity)**

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

S. No.	Particulars	Quarter Ended March 31,		Year Ended March 31,	
		2006	2005	2006	2005
		Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	3,270.36	7,903.03	11,228.68	7,903.02
2	Other Income	20.05	8.33	61.90	41.17
	Total Revenue	3,290.41	7,911.36	11,290.58	7,944.19
3	Total Expenditure	2,261.80	5,073.90	7,346.85	5,114.63
	(a) Increase/ (Decrease) in stock in trade*	0.00	0.00	0.00	0.00
	(b) Consumption of raw materials*	0.00	0.00	0.00	0.00
	(c) Staff Cost	234.62	486.56	788.16	508.80
	(d) Other Expenditure	2,027.18	4,587.34	6,558.69	4,605.83
4	Interest	38.55	258.06	225.60	245.92
5	Depreciation	422.90	1,016.33	1,432.35	1,019.36
6	Profit/(Loss) before tax	567.16	1,563.07	2,285.78	1,564.28
7	Provision for Taxation written back for previous years	0.00	0.00	0.00	0.00
8	Provision for Taxation	55.92	353.51	273.71	353.60
	-Current Tax	40.40	8.51	166.52	8.60
	-Fringe Benefit Tax	6.65	0.00	19.05	0.00
	-Deferred Tax	8.87	345.00	88.14	345.00
9	Net profit/(loss) after tax	511.24	1,209.56	2,012.07	1,210.68
10	Paid-up equity share capital (Face value Rs.10/- each)	1,893.88	1,856.09	1,893.88	1,856.09
11	Reserves excluding revaluation reserves	5,449.55	2,675.38	5,449.55	2,675.38
12	Earnings per share (in Rs.)				
	a. Basic	2.701	1.945	10.692	6.532
	b. Diluted	2.673	1.926	10.605	6.444
13	Aggregate of Non-promoter shareholding				
	a. Number of shares	1,032,592,576	992,180,739	1,032,592,576	992,180,739
	b. Percentage	54.52%	53.53%	54.52%	53.53%
	Items exceeding 10% of total expenditure				
	(a) Licence Fees & Spectrum Charges (Revenue Share)	286.10	763.15	1,079.67	763.15
	(b) Access & Interconnection Charges	635.01	1,683.17	2,151.92	1,683.17
	(c) Network Operating Expenses	343.29	680.05	1,140.88	680.05
	(d) Sales & Marketing	230.17	636.34	801.36	636.34
	(e) Staff Cost	234.62	486.56	788.16	508.80
	(f) Administration and others	481.50	592.78	1,196.44	611.27

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

- Figures for the year ended March 31, 2005 are post merger audited numbers.
- The financials for the quarter ended March 31, 2005 have been derived using based on full year ended March 31, 2005 post merger numbers less nine months ended December 31, 2004 pre merger numbers.
- Reserves and surplus as at March 31, 2006 includes Rs. 12.60 crore towards employee stock option outstanding (net of the related deferred cost) account.
- The company's claim for refund of amounts paid to DoT for restoration of Punjab license is sub-judice. Though the company believes it has a sound and arguable case on merits, still as a matter of prudent & conservative accounting it has now provided for the amount of Rs. 186.50 crore hitherto kept as recoverable. Profits for the quarter and the year are thus lower by this amount.
- The above financial results for the Fourth Quarter (Q4 05-06) and the Financial Year (FY 05-06) ended March 31, 2006 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on April 27-28, 2006 at New Delhi.
- The Company has changed its name from Bharti Tele- Ventures Limited to Bharti Airtel Limited.
- During the quarter, the Company allotted 38,18,150 Equity Shares upon conversion of USD 20.438 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 540,270 Equity shares upon conversion USD 2.892 Million FCCBs on 07.04.2006. Outstanding FCCBs as on date are USD 17.352 Million.
- During the quarter, CRISIL, the leading rating agency in India, reaffirmed its GVC Level 1 rating of the Company. This is the highest rating assigned by CRISIL for value creation by a company for all its stakeholders while adopting sound corporate governance practices.
- 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 2 complaints, which were resolved successfully.

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

(Amount in Rs. crore)

Particulars	Quarter Ended March 31, 2006	Year Ended March 31, 2006	Year Ended March 31, 2005
	Audited	Audited	Audited
1. Segment Revenue			
Net sale/income from each segment			
a) Mobile Services	2,330.50	7,927.67	5,356.90
b) Broadband & Telephone Services	412.00	1,507.44	1,130.72
c) Long Distance Services	750.76	2,462.78	1,868.82
d) Enterprise Services	174.54	603.10	497.02
e) Others	0.67	7.60	37.96
Total	3,668.48	12,508.59	8,891.42
Less: Inter Segment Eliminations	(378.07)	(1,218.01)	(947.23)
Net sales/Income from operations	3,290.41	11,290.58	7,944.19
2. Segment Results			
Profit/(Loss) before tax and interest from each segment			
a) Mobile Services	355.53	1,609.59	993.15
b) Broadband & Telephone Services	(18.57)	62.60	143.75
c) Long Distance Services	284.96	776.78	468.62
d) Enterprise Services	46.15	193.52	236.22
e) Others	(62.36)	(131.11)	(31.54)
Total	605.71	2,511.38	1,810.20
Less: Inter Segment Eliminations	0.00	0.00	0.00
Total profit/(loss) before tax and interest	605.71	2,511.38	1,810.20
Less :			
i) Interest	38.55	225.60	245.92
ii) Other Un-allocable Expenditure net off Un-allocable	0.00	0.00	0.00
Total profit before tax	567.16	2,285.78	1,564.28
3. Capital Employed			
(Segment assets - Segment liabilities)			
a) Mobile Services	3,324.41	3,324.41	2,141.71
b) Broadband & Telephone Services	2,242.66	2,242.66	1,422.51
c) Long Distance Services	1,313.48	1,313.48	753.39
d) Enterprise Services	495.54	495.54	245.61
e) Others	60.48	60.48	4.09
Total	7,436.57	7,436.57	4,567.31

Notes:

1. The company did not have any operating segment in the quarter ended March 31, 2005.
2. Figures for the year ended March 31, 2005 are post merger audited numbers.

For Bharti Airtel Limited

New Delhi
April 28, 2006

Sunil Bharti Mittal
Chairman & Managing Director

"Bharti", or "the Company" wherever stated stands for Bharti Airtel Limited [formerly known as Bharti Tele-Ventures Limited].
For more details on the financial results, please visit website www.bhartiairtel.in