

BHARTI TELE-VENTURES IMPROVES NET PROFIT IN Q1 FY04

Bharti announces results for quarter ended June 30, 2003

- Bharti declares PAT of Rs. 31 crores for Q1 FY-04 as against a loss of Rs.68 Crores in the corresponding quarter last year.
- Improves profits by 20% over last quarter post implementation of the new interconnect regime and in-face of tremendous tariff pressures.
- Total Revenue for Q1 FY-04 is Rs. 1,036 crores – a year-on-year growth of 92%.
- EBITDA for Q1 FY-04 is Rs. 289 crores – representing a year-on-year growth of 109%.
- Cash Profit triples for the quarter to Rs.226 Crores.
- “AirTel” more than doubles its mobile customer base to over 3.75 million as on June 30, 2003, from 1.61 million as on June 30, 2002.
- “Airtel” consolidates its market leadership position by increasing its market share to 24.8% as on June 30,2003 from 21.9% as on June 30,2002.
- Bharti’s investments cross the Rs. 10,000 crores mark.

New Delhi, July 23, 2003 – Bharti Tele-Ventures Limited has improved its profitability in the quarter ended June 30, 2003 as it announced its un-audited results today.

During Q1, the Company has improved its net profit by 20% to Rs. 31 Crores post the implementation of IUC incoming regime and in the midst of extremely high level of competitive activity. Bharti has exhibited a leadership performance during the quarter by sustaining its revenues of over Rs. 1,000 crores and has improved its market share.

During the quarter ended June 30, 2003, on year on year basis, the company almost doubled its revenues and EBITDA, and nearly tripled its cash profit

Parameters	Quarter ended		
	June 30, 2003	June 30, 2002	Y-on-Y Growth
Financials in (Rs Crores)			
Total Revenue	1,036.0	538.7	92%
EBITDA	288.9	138.1	109%
Cash Profit from operations	225.8	76.0	197%
Earnings before tax	30.9	(67.9)	-
Net profit / (loss)	31.0	(67.6)	-

The continuous success in each of the businesses has resulted in a profit of Rs.31 crores during the quarter as compared to a loss of Rs. 68 crores in the corresponding quarter last year.

Commenting on the results for the quarter **Mr. Sunil Bharti Mittal, Chairman & Group Managing Director, Bharti Tele-Ventures** said, “Our performance during the quarter has been extremely satisfying. During the quarter, we passed on enormous tariff benefits to our customers including incoming free on mobile services. As a result today even a common man is able to afford a mobile phone. We are very encouraged with the price elasticity that we saw across all networks, be it on our mobile, fixed line or long distance networks. The increased usage on our networks as well as a very tightly managed business has enabled us to sail confidently through these uncertain times.”

The funded equity of the company as on March 31, 2003 was approximately Rs. 5,175 crores, while the net debt was Rs. 3,528 crores resulting in a net debt to funded equity of 0.68 only.

Parameters	As on		
	June 30, 2003	June 30, 2002	Y-on-Y Growth
Customers (Nos.)	4,174,747	1,812,129	130%
Mobile	3,750,989	1,606,702	133%
Fixed line	423,758	205,427	106%
Net Additions (Nos.)	731,311	297,122	146%
Mobile	679,526	255,742	166%
Fixed line	51,785	41,380	25%
Our Market share - Mobile	25%	22%	

During the quarter, the company strengthened its leadership position by improving its market share. In the month of June, 2003, post the implementation of level playing field, it achieved leadership in all India net additions by taking a 28.4% share.

About Bharti

Bharti Tele-Ventures (BTVL) is India's leading private sector provider of telecommunications services with an aggregate of 41.75 lakhs customers as of June 30, 2003, consisting of approximately 37.51 lakhs mobile and 423,758 fixed line customers. We are the largest mobile service provider in the country. Our all India market share as on June 30, 2003 was 24.8%. Mobile services constitute the largest portion of our business both in terms of total revenues and total customers. We also provide fixed-line, long distance, group data and enterprise services including VSAT and Internet services.

The company seeks to capitalize on the growth opportunities that it believes are available in the Indian market and consolidate its position to be an integrated telecommunications service provider, with a focus on mobile services.

For the quarter ended June 30, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs. 1,036 crore and Rs. 289 crore respectively and for the year ended March 31, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs.3,050 crore (US\$ 642 million) and Rs.759 crore (US\$ 160 million) respectively. During the quarter ended June 30, 2003, mobile services represented approximately 63% of our total revenues. As on June 30, 2003, the company has made a gross investment of over Rs.10,650 crore (US\$ 2.3 billion) in building telecom in India.

The Company today offers mobile services in fifteen out of 22 circles in India. As of June 30, 2003, approximately 91% of India's total number of mobile subscribers resided in Bharti's mobile circles, according to COAI reports. Bharti Tele-Ventures was the first private sector operator to provide fixed-line services in India when it commenced providing fixed-line services in the Madhya Pradesh & Chattisgarh circle in June 1998. The Company also provides fixed – line services in Haryana, Delhi, Karnataka and Tamil Nadu circles. BTVL believes that these circles have high telecommunications revenue potential, especially for carrying data traffic.

The company complements its mobile and fixed-line services with national and international long distance services. The company also has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. The long distance and data enterprise services has enormous support from this connectivity and facilitates in offering best value to our customers.

The company provides reliable end-to-end data & enterprise services to the corporate customers by leveraging its nationwide fiber optic backbone, last mile connectivity in fixed-line and mobile circles, VSATs, ISP and international bandwidth access through the gateways and landing station.

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