

BHARTI TELE-VENTURES' DISPLAYS STRONG GROWTH IN PROFITS
Bharti announces results for third quarter & nine months ended December 31, 2003

- **Bharti doubles the profit, declares PBT of Rs. 184 crores for Q3 FY-04 compared to a profit of Rs. 94 crore in Q2 FY 04 and against a loss of Rs. 8 crores in the corresponding quarter last year.**
- **Improves profit margin from 8% last quarter to 13% this quarter**
- **Total Revenue for the third quarter of FY-04 is Rs. 1,269 crores - a 50% year-on-year growth and sequential growth of 11%.**
- **EBITDA for the third quarter of FY-04 is Rs. 473 crores, representing a year on year growth of 97% and a sequential growth of 26%.**
- **Cash Profit for the quarter at Rs. 400 crores multiplies nearly two and a half times as compared to last year.**
- **Bharti multiplies its customer base by nearly 2 times to over 60.7 lakhs as on December 31, 2003, from 30.9 lakhs as on December 31, 2002.**
- **During the quarter, Bharti Tele-Ventures became the first private GSM operator to cross the 5 million - customer milestone.**

New Delhi, January 20, 2004: Bharti Tele-Ventures Limited has improved its revenues and profits in the quarter ended December 31, 2003 (Q 3 FY 04) as it announced its un-audited results today. However, the company is pleased to announce audited results complying with all the three GAAP's i.e. Indian, International and US GAAP for the nine month period ended December 31, 2003. **This is another significant step towards establishing good corporate governance practice.**

During the third quarter of FY04, the Company had net profit was Rs. 161 crores. Based on the net profits, the company today ranks amongst the top companies in India. The net profit margin has improved from 8.1% in the second quarter to 12.7% in the third quarter of FY04.

Commenting on the results for the quarter **Mr. Sunil Bharti Mittal, Chairman & Group Managing Director, Bharti Tele-Ventures** said, *"BTVL's performance during the quarter has once again demonstrated its ability to deliver financial performance on sustainable basis. It has also strengthened its resolve to provide the full benefit of scale & size, translating into superior range of telecom services to all our customers"*

Financial Highlights as per International Accounting standard (IAS) – (in Rs. Crores, except Ratios)

Particulars	Quarter Ended					Nine months ended		
	Dec. 2003	Dec. 2002	Y-on-Y Growth	Sept. 2003	Q3-on-Q2 Growth	Dec. 2003	Dec. 2002	Y-on-Y Growth
Total revenue	1,269	847	50%	1,144	11%	3,449	2,043	69%
EBITDA	473	240	97%	376	26%	1,138	499	128%
Cash profit from operations	400	164	143%	306	31%	931	285	227%
Earnings before tax*	184	(8)		94	96%	309	(206)	-
Net profit / (loss)*	161	(7)		93	73%	286	(204)	-
EBITDA / Revenue	37%	28%		33%		33%	24%	
Net Profit Margin*	12.7%	-0.8%		8.1%		8.3%	-10.0%	

* The profit for the period ended December 31, 2003 does not include Rs. 30 crore of unusual income

During the quarter ended December 31, 2003, on a year on year basis, EBITDA nearly doubles to Rs 473 crores from Rs. 240 crores and multiplies its cash profit by 2.5 times to Rs. 400 crores from Rs. 164 crores. This is a result of growth in revenue by 50% to Rs. 1269 crores from Rs. 847 crores, on a year on year basis, while corresponding operating expenses increased by merely 13%. Further, the operating efficiencies have lead to an improvement in EBITDA margin for the quarter to 37%, compared to 28% for the corresponding period last year.

For the nine months ended December 2003, the company registered revenues of Rs. 3,449 crores, an increase of 69% over the same period last year. The EBITDA has improved by 128% on a year on year basis to Rs. 1,138 crores for the nine months ended December 31,2003. The company registered a net profit of Rs. 286 crores for the nine months ended December 2003 compared to a loss of Rs. 204 crores for the similar period prior year.

During the quarter, Bharti leadership position remains sustained with its GSM market share at 25.0% as on December 31, 2003. During the quarter, Bharti Tele-Ventures became the first GSM private operator to cross the 5 million-customer mark. The company added approximately one million customers during the quarter.

Operational Highlights

	As on		
	Dec 31, 2003	Dec. 31, 2002	Y-o-Y Growth
<u>Bharti Customers (Nos.)</u>			
Mobile	5,500,580	2,774,558	98%
Fixed-line	569,278	317,220	79%
Total	6,069,776	3,091,778	96%
<u>Bharti Net Additions (Nos.)</u>			
Mobile	883,562	481,360	84%
Fixed-line	72,495	56,246	29%
Total	956,057	537,606	78%

About Bharti

Bharti Tele-Ventures (BTVL) is India's leading private sector provider of telecommunications services with an aggregate of approximately 61 lakhs customers as of December 31, 2003, consisting of over 55. lakhs mobile and 569 thousand fixed line customers.

We are the largest GSM mobile service provider in the country. Our all India market share as on December 31, 2003 was 25.0%. 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 year ended March 31, 2003, our revenue and EBITDA as per audited IAS accounts were Rs.3,050 crore (US\$ 642 million) and Rs.759 crore (US\$ 160 million) respectively.

For the quarter ended December 31, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs. 1,269 crore (US\$ 278 million) and Rs. 473 crore (US\$ 104 million) respectively. The company has registered a profit of Rs. 400 crores (US\$ 88 million) for the quarter. During the quarter-ended December 31, 2003, mobile services represented approximately 68% of our total revenues.

As on December 31,2003, the company has made a gross investment of over Rs. 11,750 crore (US\$ 2.6 billion) in building telecom in India.

The Company today offers mobile services in fifteen out of 23 circles in India. As of December 31, 2003, approximately 91% of India's total number of GSM 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.