

BHARTI TELE-VENTURES LIMITED

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

Financial results for the second quarter and half year ended September 30, 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)

(In Rs Crores, except ratios)

Particulars	Quarter Ended			Half Year Ended		
	September 2005	September 2004	Y-o-Y Growth	September 2005	September 2004	Y-o-Y Growth
Total revenues	2,709.10	1,851.26	46%	5,226.37	3,545.33	47%
EBITDA	1,021.14	692.61	47%	1,961.84	1,313.38	49%
Cash profit from operations	936.68	664.62	41%	1,862.50	1,190.42	56%
Earnings/(loss) before taxation	579.55	389.09	49%	1,177.56	672.74	75%
Current tax expense/ (income)	41.01	11.41		92.12	34.02	
Earnings/(loss) after current tax expense	538.54	377.68	43%	1,085.44	638.72	70%
Deferred tax expense / (income)	10.42	13.48		40.81	36.34	
Net profit / (loss)	520.91	364.20	43%	1,030.85	602.39	71%
EBITDA / Total revenues	37.7%	37.4%		37.5%	37.0%	

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 September 30, 2005	Quarter ended September 30, 2004	Half Year Ended September 30, 2005	Half Year Ended September 30, 2004	Year ended March 31, 2005
	Audited	Audited	Audited	Audited	Audited
	Service Revenue	2,695.95	1,873.57	5,176.71	3,575.41
Sales of Goods	32.15	24.05	64.98	49.79	104.64
Other Income	14.60	19.45	28.41	25.01	43.48
Total Income	2,742.70	1,917.07	5,270.10	3,650.21	8,155.78
Profit including Other Income and before Finance Expenses /(Income) (Net), Depreciation, Amortisation, Pre-operative Expenditure, Charity and Donation and Taxation	1,031.78	704.74	1,986.46	1,339.69	3,065.80
Finance expenses (net)	59.57	62.68	115.25	169.43	243.92
Depreciation	348.80	236.54	663.53	447.08	1,044.15
Amortisation	36.80	48.65	73.48	102.81	144.03
Preoperative Expenditure Written off	0.57	14.47	1.21	22.32	47.39
Charity & Donation	0.10	0.27	0.18	0.86	3.11
Profit Before tax	585.94	342.13	1,132.81	597.19	1,583.19
Tax Expenses/ (Income)					
- Current tax	36.72	(23.33)	84.43	(61.90)	13.09
- Fringe Benefit Tax	4.36	0.00	7.88	0.00	0.00
- Deferred tax	30.49	71.46	48.84	124.23	346.45
Profit After Tax	514.37	294.01	991.66	534.86	1,223.66
Minority Interest	7.21	0.49	14.03	2.31	12.09
Profit for the period	507.16	293.52	977.63	532.55	1,211.57

Notes:

- Financials for the year ended March 31, 2005 are consolidated post merger audited figures.
- Financials for the quarter and half year ended September 30, 2004 are pre merger published figures.

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

(In Rs Crores)

Particulars	Quarter Ended	Half Year Ended
	September 30, 2005	September 30, 2005
Net profit / (loss) as per US GAAP (Un-audited)	520.91	1,030.85
Add: Differences on account of:		
Differences in accounting for finance charges	24.51	(13.15)
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP.	5.95	13.57
Being difference in revenue recognition	0.30	0.66
Minority Interest and loss of Joint Venture	0.03	(0.07)
Less: Differences on account of:		
Deferred Tax expense	20.07	8.02
Amortisation of Goodwill/ Intangibles	6.77	13.45
License fee amortisation	14.84	29.68
Remeasurement of financial instruments not applicable in IGAAP	2.85	3.07
Consolidation of ESOP Trust	0.00	0.01
Net profit/(loss) as per Indian GAAP (Audited)	507.16	977.63

4. **Bharti Tele-Ventures Limited - Audited financial results for the second quarter and half year ended September 30, 2005 as per Indian GAAP (as Stand alone entity)**

(In Rs. Crores except per share data)

S. No.	Particulars	Quarter Ended September 30,		Half Year Ended September		Year ended
		2005	2004	2005	2004	March 31, 2005
		Audited	Audited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	2,625.94	0.00	5,039.24	0.00	7,903.02
2	Other Income	14.10	9.20	24.90	18.63	41.17
	Total Revenue	2,640.04	9.20	5,064.14	18.63	7,944.19
3	Total Expenditure	1,676.29	13.35	3,210.03	24.72	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	196.10	7.82	361.02	14.96	508.80
	(d) Other Expenditure	1,480.19	5.53	2,849.01	9.76	4,605.83
4	Interest	57.07	(6.35)	113.28	16.94	245.92
5	Depreciation	338.28	1.05	643.81	2.01	1,019.36
6	Profit/(Loss) before tax	568.40	1.15	1,097.02	(25.04)	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	67.97	0.00	134.87	0.00	353.60
	-Current Tax	34.35	0.00	79.83	0.00	8.60
	-Fringe Benefit Tax	4.20	0.00	7.61	0.00	0.00
	-Deferred Tax	29.42	0.00	47.43	0.00	345.00
9	Net profit/(loss) after tax	500.43	1.15	962.15	(25.04)	1,210.68
10	Paid-up equity share capital (Face value Rs.10/- each)	1,884.06	1,853.37	1,884.06	1,853.37	1,856.09
11	Reserves excluding revaluation reserves	4,168.31	2,946.44	4,168.31	2,946.44	2,675.38
12	Earnings per share (in Rs.)					
	a. Basic	2.665	0.0062	5.137	-0.135	6.532
	b. Diluted	2.665	0.0061	5.101	-	6.444
		Not annualised	Not annualised			
13	Aggregate of Non-promoter shareholding					
	a. Number of shares	1,022,770,896	989,438,846	1,022,770,896	989,438,846	992,180,739
	b. Percentage	54.29%	53.39%	54.29%	53.39%	53.53%
	Items exceeding 10% of total expenditure					
	(a) Licence Fees & Spectrum Charges (Revenue Share)	263.86	0.00	500.78	0.00	763.15
	(b) Access & Interconnection Charges	487.02	0.00	965.83	0.00	1,683.17
	(c) Network Operating Expenses	269.20	0.00	503.78	0.00	680.05
	(d) Sales & Marketing	190.50	0.00	374.05	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 half year ended September 30, 2004 are pre merger published figures.
- The above financial results for the second quarter (Q2 05-06) ended September 30, 2005 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on October 27, 2005 at New Delhi.
- As a part of consolidation exercise and to attain business synergies, the Board of Directors in its meeting held on July 26 & 27, 2005 approved merger of Satcom Broadband Equipment Limited (SBEL) (formerly CMax Infocom Limited), a wholly owned subsidiary of the Company and Bharti Broadband Limited (BBL) (formerly Comsat Max Limited), wholly owned subsidiary of SBEL with the Company. The Board, in the same meeting, also approved the merger with the Company of the undertaking/business unit of Bharti Hexacom Limited, a subsidiary of the Company, providing cellular services in the North-East telecom circle.
- During the quarter, the Company allotted 27,22,125 Equity shares to shareholder(s) of erstwhile subsidiary Bharti Cellular Limited (BCL) since merged with the Company w. e. f. June 9, 2005
- During the quarter, the Company also allotted 78,80,287 Equity Shares upon conversion of USD 42.182 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 34,62,828 Equity shares upon conversion USD 18.536 Million FCCBs on 19.10.05. Outstanding FCCBs as on date are USD 54.282 Million.
- During the quarter, the Company invested Rs. 99,50,000/- in equity shares of Forum I Aviation Limited, an aircraft chartering company floated by the Company under a joint venture agreement with five other parties.
- 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 12 complaints, all of which were resolved successfully.

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

(In Rs Crores)

Particulars	Quarter Ended	Half Year Ended	Year ended March
	September 30,	September 30,	31, 2005
	2005	2005	
	Audited	Audited	Audited
1. Segment Revenue			
Net sale/income from each segment			
a) Mobile Services	1,828.24	3,509.31	5,356.90
b) Broadband & Telephone Services	367.64	709.61	1,130.72
c) Long Distance Services	557.87	1,079.20	1,868.82
d) Enterprise Services	145.38	270.45	497.02
e) Others	3.67	3.89	37.96
Total	2,902.80	5,572.46	8,891.42
Less: Inter Segment Eliminations	(262.76)	(508.32)	(947.23)
Net sales/Income from operations	2,640.04	5,064.14	7,944.19
2. Segment Results			
Profit/(Loss) before tax and interest from each segment			
a) Mobile Services	414.61	772.88	993.15
b) Broadband & Telephone Services	36.55	72.86	143.75
c) Long Distance Services	146.76	311.82	468.62
d) Enterprise Services	51.14	96.62	236.22
e) Others	(23.59)	(43.88)	(31.54)
Total	625.47	1,210.30	1,810.20
Less: Inter Segment Eliminations	0.00	0.00	0.00
Total profit/(loss) before tax and interest	625.47	1,210.30	1,810.20
Less :			
i) Interest	57.07	113.28	245.92
ii) Other Un-allocable Expenditure net off Un-allocable income	0.00	0.00	0.00
Total profit before tax	568.40	1,097.02	1,564.28
3. Capital Employed			
(Segment assets - Segment liabilities)			
a) Mobile Services	2,887.08	2,887.08	2,141.71
b) Broadband & Telephone Services	1,736.05	1,736.05	1,422.51
c) Long Distance Services	825.91	825.91	753.39
d) Enterprise Services	227.84	227.84	245.61
e) Others	444.43	444.43	4.09
Total	6,121.31	6,121.31	4,567.31

Notes:

1. The company did not have any operating segment in the quarter and half year ended September 30, 2004.
2. Financials for the year ended March 31, 2005 are post merger audited figures.

For Bharti Tele-Ventures Limited

New Delhi
October 27, 2005

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.bhartiteleventure.com