bharti

July 25, 2017

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Ref: Bharti Airtel Limited (532454 / BHARTIARTL)

Sub: Press Release w.r.t. financial results for the first quarter (Q1) ended June 30, 2017

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release being issued by the Company with regard to the audited financial results of the Company for the first quarter (Q1) ended June 30, 2017.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

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(a Bharti Enterprise)
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CIN: L74899DL1995PLC070609

Bharti Airtel Limited

Consolidated Q1'18 revenues at Rs 21,958 crore

Consolidated Mobile data traffic more than doubles; growing 178.0% Y-o-Y

Net Income marginally down Q-o-Q to Rs 367 crore

Bharti Airtel announces consolidated Ind-AS results for the first quarter ended June 30, 2017

Highlights for the first quarter ended June 30, 2017

~ Overall customer stands at 379.9 million across 17 countries, up 10.2% Y-o-Y excluding divested units.
~ Consolidated total revenues at Rs 21,958 crore, down 11.1% Y-o-Y on an underlying basis.
~ India revenues down 10.0%; Africa revenues up 1.5% Y-o-Y (constant currency) on an underlying basis.
~ Mobile data traffic more than doubled and at 527 Bn MBs in the quarter; underlying growth of 178.0% Y-o-Y.
~ Consolidated Mobile Data revenues at Rs 3,765 crore, down 16.8% Y-o-Y on an underlying basis.
~ Consolidated EBITDA at Rs 7,823 crore, down 18.4% Y-o-Y.
~ Consolidated EBITDA margin at 35.6%, down 1.9% Y-o-Y.
~ Africa EBITDA margin at 28.0%, up 8.1% Y-o-Y on an underlying basis.
~ Net Income for the quarter at Rs 367 crore (Q4'17: Rs 373 crore) vs Rs 1,462 crore in the corresponding quarter last year.

New Delhi, India, July 25, 2017: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the first quarter ended June 30, 2017.

The consolidated revenues for Q1'18 at Rs 21,958 crore, Y-o-Y drop of 11.1% (reported drop of 14.0%) on an underlying basis (viz. adjusted for Africa / Bangladesh divested operating units and tower assets sale). Consolidated Y-o-Y revenue growth muted by 2.6% on account of Nigeria currency devaluation. Consolidated mobile data traffic at 527 Mn MBs in the quarter has registered a strong Y-o-Y growth of 178.0% on an underlying basis. Consolidated mobile data revenues for the quarter at Rs 3,765 crore, Y-o-Y drop of 16.8% on an underlying basis.

India revenues for Q1'18 at Rs 17,244 crore have declined by 10.0% Y-o-Y primarily led by mobile drop of 14.1% Y-o-Y. Mobile market remains turbulent in the current quarter as well, due to disruptive pricing by a new operator. Mobile data traffic has grown three fold to 472 Bn MBs in the quarter as compared to 158 Bn MBs in the corresponding quarter last year. Mobile broadband customers increased by 33.7% to 48.9 Mn from 36.6 Mn in the corresponding quarter last year.

In constant currency (1st Mar'17) terms, Africa underlying revenues grew by 1.5% Y-o-Y. Data revenues at $ 138 million grew by 11.3% Y-o-Y, led by increase in Data customer base by 19.4% and traffic by 75.0%. Data revenues now contribute to 18.7% of overall Africa revenues vis-à-vis 16.9% in the corresponding quarter last year. Our continuous focus on costs and efficiencies has resulted in significant improvement in underlying EBITDA margin by 8.1% Y-o-Y and is at 28.0%. Active Airtel Money customer base at 8.7 million, increasing the total transaction value on Airtel Money platform by 31.4% to $ 4.3 billion.

Consolidated EBITDA at Rs 7,823 crore declined 18.4% Y-o-Y with EBITDA margin dropping by 1.9% to 35.6%, led by India SA margin drop of 4.6% Y-o-Y on an underlying basis. Consequently, the consolidated EBIT dropped by 34.1% Y-o-Y to Rs 2,988 crore. Net interest costs of Rs 1,789 crore have risen from Rs 1,631 crore in the corresponding quarter last year – largely due to increased spectrum related interest costs. Forex and derivative loss for the quarter was at Rs 39 crore compared to loss of Rs 309 crore in the corresponding quarter last year. The Consolidated Net Income after exceptional items for the quarter stands at Rs 367 crore (Q4'17: Rs 373 crore) compared to Rs 1,462 crore in corresponding quarter last year.

The company's consolidated net debt has decreased to Rs 87,840 crore from Rs 91,400 crore in the previous quarter. Net debt excluding the deferred payment liabilities to the DOT and finance lease obligations has decreased by Rs 4,633 crore sequentially in the quarter. Net debt to EBITDA ratio (LTM) for the quarter has remained flat at 2.67 times (vs 2.63 times in the previous quarter). Lower EBITDA along with rising spectrum interest and amortization costs has resulted in deterioration of Return on Capital Employed (ROCE) to 5.6% from 7.6% in the corresponding quarter last year.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia,** said:
"The pricing disruption in the Indian telecom market caused by the entry of a new operator continued with industry revenues declining over 15% Y-o-Y, creating further stress on sector profitability, cash flows and leverage. Consequently, our revenues declined 10% and EBITDA margin eroded by 5.3% Y-o-Y. We remain committed to providing the best value & experience to our customers and continue to invest towards it. As a result, our network witnessed data and voice traffic growth of 200% & 34% Y-o-Y respectively. We also added 5.2 Mn data customers in the last quarter – our highest ever."

In a statement, **Mr. Raghunath Mandava, MD and CEO, Africa**, said:
"Airtel Africa organic revenue growth for the quarter was 1.5% Y-o-Y, though our efforts to optimize unprofitable revenue streams resulted in higher net revenue growth of 3.3%. New KYC norms impacted customer additions and consequently revenue growth in the quarter. The data story in Africa is unfolding well with consumption and revenue increasing by 75% & 11.3% respectively on a Y-o-Y basis. Our focus to deliver a more profitable business model for Africa has resulted in another quarter of EBITDA margin improvement, with underlying margins expanding by 8.1% Y-o-Y from 19.9% to 28.0%."

Summary of the Consolidated Statement of Income – represents consolidated Statement of Income as per Indian Accounting Standards (Ind-AS)

(Amount in Rs crore, except ratios)

Particulars	Quarter Ended		Y-o-Y Growth
	Jun 2017	Jun 2016	
Total revenues	21,958	25,546	-14.0%
EBITDA	7,823	9,591	-18.4%
EBITDA/ Total revenues	*35.6%*	*37.5%*	
EBIT	2,988	4,534	-34.1%
EBIT/ Total revenues	*13.6%*	*17.7%*	
Profit before tax	1,482	2,847	-48.0%
Net Income	367	1,462	-74.9%
Operating free cash flow (EBITDA - Capex)	1,237	4,666	-73.5%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Jun 2017	Mar 2017	Q-o-Q Growth	Jun 2016	Y-o-Y Growth
Mobile Services	**000's**	**362,676**	**355,673**	**2.0%**	**341,965**	**6.1%**
India	000's	280,647	273,648	2.6%	255,735	9.7%
South Asia	000's	1,990	1,964	1.3%	9,245	-78.5%
Africa	000's	80,039	80,061	0.0%	76,986	4.0%
Homes	000's	2,137	2,129	0.4%	2,020	5.8%
Digital TV Services	000's	13,314	12,815	3.9%	12,149	9.6%
Airtel Business	000's	1,743	1,736	0.4%	1,712	1.8%
Total	**000's**	**379,870**	**372,354**	**2.0%**	**357,846**	**6.2%**

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 17 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 379 million customers across its operations at the end of June 2017. To know more please visit, www.airtel.com

Disclaimer:

[This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.]