bharti

January 24, 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 third quarter (Q3) and nine months year ended December 31, 2016

Dear Sir / Madam,

Pursuant to Regulation 30 and other applicable regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 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 third quarter (Q3) and nine months ended December 31, 2016.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

For Bharti Airtel Limited

Rajendra Chopra
Sr. Vice President & Company Secretary

Bharti Airtel Limited

Consolidated Q3'17 revenues at Rs 23,336 crore

Improved performance in Africa with 6.0% Y-o-Y revenue growth

Mobile data revenues at Rs 4,049 crore, data volumes grew 36.4% Y-o-Y

Bharti Airtel announces consolidated Ind-AS results for the third quarter ended December 31, 2016

Highlights for the third quarter ended December 31, 2016

~ Overall customer stands at 364.6 million across 17 countries, up 8.4% Y-o-Y excluding divested units.
~ Consolidated total revenues at Rs 23,336 crore, Y-o-Y flat on an underlying basis.
~ India revenues up 1.8%; Africa revenues up 6.0% Y-o-Y on an underlying basis.
~ Mobile data traffic at 216 Bn MBs in the quarter; underlying growth of 36.4% Y-o-Y.
~ Consolidated Mobile Data revenues at Rs 4,049 crore, Y-o-Y flat on an underlying basis.
~ Consolidated EBITDA at Rs 8,570 crore, up 1.1% Y-o-Y.
~ Consolidated EBITDA margin at 36.7%, up 1.5% Y-o-Y led by Africa margin expansion of 4.9% Y-o-Y.
~ Net Income for the quarter at Rs 504 crore vs Rs 1,108 crore in the corresponding quarter last year.

New Delhi, India, January 24, 2017: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the third quarter ended December 31, 2016.

The consolidated revenues for Q3'17 at Rs 23,336 crore, Y-o-Y flat (drop of 3.0% on reported) on an underlying basis (viz. adjusted for Africa divested operating units, tower assets sale and merger of Bangladesh operations). Consolidated revenue growth muted by 3.2% on account of Nigeria currency devaluation on Y-o-Y basis. Consolidated mobile data revenues for the quarter at Rs 4,049 crore, Y-o-Y flat on an underlying basis.

India revenues for Q3'17 at Rs 18,013 crore grew by 1.8% Y-o-Y. Slowdown in Mobile revenue growth primarily due to free voice and data offering by a new operator. India other businesses have witnessed healthy growth e.g. 17.7% in Digital TV, 12.5% in Airtel Business and 10.8% in Homes on Y-o-Y basis. Mobile Data revenues at Rs 3,087 crore de-grew by 3.0% Y-o-Y. Mobile Broadband customers increased by 22.0% to 37.7 Mn from 30.9 Mn in the corresponding quarter last year. Mobile Data revenues now contribute to 22.8% of Mobile India revenues vis-à-vis 23.1% in the corresponding quarter last year.

In constant currency (1st Mar'16) terms, Africa business performance has improved and underlying revenues grew by 6.0% Y-o-Y (5.4% reported constant currency Y-o-Y), the highest in last nine quarters. Data revenues at $ 153 million grew by 24.0% Y-o-Y, led by increase in Data customer base by 21.3% and traffic by 91.0%. Data ARPU flat at $ 2.9 compare to the corresponding quarter last year. Data revenues now contribute to 16.7% of overall Africa revenues vis-à-vis 14.2% in the corresponding quarter last year. Our continuous focus on costs and efficiencies has resulted underlying EBITDA margin improvement by 4.9% Y-o-Y(up 4.5% reported constant currency Y-o-Y) to 24.5%. Active Airtel Money customer base at 8.8 million, increasing the total transaction value on Airtel Money platform by 32.8% to $ 4.0 billion.

Consolidated EBITDA at Rs 8,570 crore grew 1.1% Y-o-Y with EBITDA margin expanding by 1.5% to 36.7%, driven by Africa margin expansion of 4.9% Y-o-Y on an underlying basis. The consolidated EBIT of Rs 3,675 crore represents a Y-o-Y de-growth of 10.3% on account of higher spectrum amortization costs in India. Net interest costs of Rs 1,810 crore have risen from Rs 1,360 crore in the corresponding quarter last year – largely due to increased spectrum related interest costs. Forex and derivative losses for the quarter came in at Rs 126 crore compared to Rs 57 crore in the corresponding quarter last year. After accounting for exceptional items (net losses of Rs 114 crore), the Consolidated Net Income for the quarter stands at Rs 504 crore compared to Rs 1,108 crore in corresponding quarter last year.

Consequent to the spectrum acquired worth Rs 14,281 crore during Oct'16 auction, the company's consolidated net debt has increased to $ 14,339 million from $ 12,232 million in the previous quarter. Net debt excluding the deferred payment liabilities to the DOT and finance lease obligations is now at $ 7,650 million. Net debt to EBITDA ratio (LTM) for the quarter has moved to 2.69 times from 2.28 times in the previous quarter. High spectrum costs and consequent increase in associated amortization costs has resulted in

deterioration of Return on Capital Employed (ROCE) to 7.1% from 8.6% in the corresponding quarter last year.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia,** said:
"The quarter has seen turbulence due to the continued predatory pricing by a new operator. The present termination costs at 14 paise which are well below cost has resulted in a tsunami of minutes terminating into our network. This has led to an unprecedented year on year revenue decline for the industry, pressure on margins and a serious impact on the financial health of the sector.

At the same time our commitment to provide a superior experience to our customers has led to revenue market share crossing a lifetime high of 33%. Airtel revenues grew by 1.8% Y-o-Y and our non-mobile businesses continue to grow at a healthy clip and now contribute a sizable 24% of our total revenues".

In a statement, **Mr. Raghunath Mandava, MD and CEO, Africa**, said:
"Underlying Africa revenue growth for the quarter accelerated to 6.0% Y-o-Y, the highest in last 9 quarters. Our efforts to improve the quality of customer acquisitions have resulted in reduction in customer churn to 4.9% from 6.0%. Data consumption and revenues have grown by 91.0% & 24.0% Y-o-Y respectively, led by stronger data networks. Our strong focus on cost control has led to a significant underlying EBITDA margin expansion of 4.9% Y-o-Y, which now stands at 24.5%. Africa is now generating positive free cash and is PBT positive in constant currency".

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	Nine Months Ended		Y-o-Y
	Dec 2016	Dec 2015	Growth	Dec 2016	Dec 2015	Growth
Total revenues	23,336	24,066	-3.0%	73,534	71,572	2.7%
EBITDA	8,570	8,475	1.1%	27,628	24,980	10.6%
EBITDA/ Total revenues	*36.7%*	*35.2%*		*37.6%*	*34.9%*	
EBIT	3,675	4,097	-10.3%	12,713	12,302	3.3%
EBIT/ Total revenues	*15.7%*	*17.0%*		*17.3%*	*17.2%*	
Profit before tax	2,060	2,947	-30.1%	7,641	7,765	-1.6%
Net Income	504	1,108	-54.6%	3,426	4,758	-28.0%
Operating free cash flow	2,717	2,967	-8.4%	11,562	10,445	10.7%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Dec 2016	Sep 2016	Q-o-Q Growth	Dec 2015	Y-o-Y Growth
Mobile Services	**000's**	**348,147**	**346,886**	**0.4%**	**336,152**	**3.6%**
India	000's	265,853	259,941	2.3%	243,289	9.3%
South Asia	000's	1,938	8,800	-78.0%	10,792	-82.0%
Africa	000's	80,356	78,145	2.8%	82,070	-2.1%
Homes	000's	2,102	2,083	0.9%	1,874	12.2%
Digital TV Services	000's	12,588	12,405	1.5%	11,106	13.3%
Airtel Business	000's	1,728	1,714	0.8%	1,724	0.2%
Total	**000's**	**364,564**	**363,088**	**0.4%**	**350,855**	**3.9%**

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 DSL 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 364 million customers across its operations at the end of December 2016. To know more please visit, www.airtel.com

Disclaimer:

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