bharti

October 31, 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 second quarter (Q2) and half year ended September 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 second quarter (Q2) and half year ended September 30, 2017.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

For Bharti Airtel Limited

BHARTI AIRTEL LIMITED NEW DELHI

Rohit Krishan Puri
Dy. Company Secretary

Bharti Airtel Limited

Consolidated Q2'18 revenues at Rs 21,777 crore and Net income at Rs 343 crore

Consolidated Mobile data and voice traffic grew 294% and 35% respectively Y-o-Y

Africa EBITDA margin at 32.1%; up 9.1% Y-o-Y

Bharti Airtel announces consolidated Ind-AS results for the second quarter ended September 30, 2017

Highlights for the second quarter ended September 30, 2017

~ Overall customer stands at 383.5 million across 17 countries, up 7.7% Y-o-Y excluding divested units.
~ Consolidated total revenues at Rs 21,777 crore, down 10.4% Y-o-Y on an underlying basis.
~ India revenues down 13.0%; Africa revenues up 2.8% Y-o-Y (constant currency) on an underlying basis.
~ Mobile data traffic grows fourfold to 853 Bn MBs in the quarter; underlying growth of 293.8% Y-o-Y.
~ Africa EBITDA margin at 32.1%, up 9.1% Y-o-Y on an underlying basis.
~ Consolidated EBITDA at Rs 8,004 crore, down 15.4% Y-o-Y.
~ Consolidated EBITDA margin at 36.8%, down 1.6% Y-o-Y.
~ Net Income for the quarter at Rs 343 crore (Q1'18: Rs 367 crore) vs Rs 1,461 crore in the corresponding quarter last year.

New Delhi, India, October 31, 2017: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the second quarter ended September 30, 2017.

The consolidated revenues for Q2'18 at Rs 21,777 crore, Y-o-Y drop of 10.4% (reported drop of 11.7%) on an underlying basis (viz. adjusted for Africa / Bangladesh divested operating units and tower assets sale). Consolidated mobile data traffic at 853 Mn MBs in the quarter has registered a robust Y-o-Y growth of 293.8% on an underlying basis.

India revenues for Q2'18 at Rs 16,728 crore have declined by 13.0% Y-o-Y primarily led by mobile drop of 16.8% Y-o-Y. Mobile market continues to experience value erosion and financial stress led by competitive pressures. Mobile data traffic has grown fourfold to 784 Bn MBs in the quarter as compared to 178 Bn MBs in the corresponding quarter last year. Mobile broadband customers increased by 33.6% to 55.2 Mn from 41.3 Mn in the corresponding quarter last year.

In constant currency (1st Mar'17) terms, Africa underlying revenues grew by 2.8% Y-o-Y (reported growth of 2.6% Y-o-Y). Mobile data traffic has grown by 83.8% to 63 Bn MBs in the quarter as compared to 34 Bn MBs in the corresponding quarter last year. Data customers increased by 20.1% to 21.7 Mn from 18.1 Mn in the corresponding quarter last year. Our continuous cost control initiatives have resulted in significant improvement of underlying EBITDA margin by 9.1% Y-o-Y and at 32.1%. Active Airtel Money customer base at 9.5 million, increasing the total transaction value on Airtel Money platform by 31.1% to $ 4.9 billion.

Consolidated EBITDA at Rs 8,004 crore declined 15.4% Y-o-Y with EBITDA margin dropping by 1.6% to 36.8%, led by India SA margin drop of 5.0% Y-o-Y on an underlying basis. Consequently, the consolidated EBIT dropped by 27.0% Y-o-Y to Rs 3,290 crore. Net interest costs of Rs 1,905 crore have risen from Rs 1,603 crore in the corresponding quarter last year – largely due to lower investment income. Forex and derivative loss for the quarter was at Rs 422 crore compared to loss of Rs 302 crore in the corresponding quarter last year. The Consolidated Net Income after exceptional items for the quarter stands at Rs 343 crore (Q1'18: Rs 367 crore) compared to Rs 1,461 crore in corresponding quarter last year.

The company's consolidated net debt has increased to Rs 91,480 crore from Rs 87,840 crore in the previous quarter. Capex investments stepped up in the quarter behind both data coverage and capacity. Net debt excluding the deferred payment liabilities to the DOT and finance lease obligations has increased by Rs 2,554 crore sequentially in the quarter. Net debt to EBITDA ratio (LTM) for the quarter at 2.91 times (vs 2.67 times in the previous quarter). Lower EBITDA along with rising spectrum costs and continued investments in India have resulted in deterioration of Return on Capital Employed (ROCE) to 5.1% from 7.4% in the corresponding quarter last year.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia,** said:
"The financial stress in the industry continues due to double digit revenue decline and will be further accentuated by the reduction in IUC rates in the next quarter. This will eventually force operator consolidation and exits as we have witnessed in the recent past. Airtel remains committed to its goal of increasing revenue market share in this competitive environment by providing superior customer experience and strategically investing behind building more data capacities."

In a statement, **Mr. Raghunath Mandava, MD and CEO, Africa**, said:
"Airtel Africa underlying revenues grew by 2.8% Y-o-Y with net revenues growing 6.3% on the back of increase in data penetration. Data traffic grew by 83.8% Y-o-Y. Airtel Money continues to lead with transaction values growing over 30% Y-o-Y. Our efforts to create a profitable business model for Africa continues and we have delivered EBITDA margin of 32.1%, with underlying margins up 9.1% Y-o-Y. This has also now enabled the business to sustainably generate positive free cash flows. Our teams remain focused on accelerating growth through the three pillars of increasing mobile penetration, growing the data business and expanding the Airtel money base."

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	Six Months Ended		Y-o-Y
	Sep 2017	Sep 2016	Growth	Sep 2017	Sep 2016	Growth
Total revenues	21,777	24,652	-11.7%	43,735	50,198	-12.9%
EBITDA	8,004	9,466	-15.4%	15,827	19,057	-17.0%
EBITDA/ Total revenues	*36.8%*	*38.4%*		*36.2%*	*38.0%*	
EBIT	3,290	4,504	-27.0%	6,278	9,038	-30.5%
EBIT/ Total revenues	*15.1%*	*18.3%*		*14.4%*	*18.0%*	
Profit before tax	1,299	2,735	-52.5%	2,780	5,582	-50.2%
Net Income	343	1,461	-76.5%	710	2,923	-75.7%
Operating free cash flow (EBITDA - Capex)	520	4,179	-87.6%	1,757	8,845	-80.1%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Sep 2017	Jun 2017	Q-o-Q Growth	Sep 2016	Y-o-Y Growth
Mobile Services	**000's**	**366,060**	**362,676**	**0.9%**	**346,886**	**5.5%**
India	000's	282,047	280,647	0.5%	259,941	8.5%
South Asia	000's	2,086	1,990	4.8%	8,800	-76.3%
Africa	000's	81,927	80,039	2.4%	78,145	4.8%
Homes	000's	2,159	2,137	1.1%	2,083	3.7%
Digital TV Services	000's	13,521	13,314	1.6%	12,405	9.0%
Airtel Business	000's	1,743	1,743	0.0%	1,714	1.7%
Total	**000's**	**383,484**	**379,870**	**1.0%**	**363,088**	**5.6%**

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 383 million customers across its operations at the end of September 2017. To know more please visit, www.airtel.com

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