bharti

January 18, 2018

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 ended December 31, 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 third quarter (Q3) and nine months ended December 31, 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 Q3'18 EBITDA margin up 0.6% and Net income at Rs 306 crore

Consolidated Mobile data and voice traffic grew 460% and 47% respectively Y-o-Y

Africa net revenue grew 8.8% Y-o-Y and EBITDA margin at 35.5%

Bharti Airtel announces consolidated Ind-AS results for the third quarter ended December 31, 2017

Highlights for the third quarter ended December 31, 2017

~ Overall customer stands at 394.2 million across 16 countries, up 9.2% Y-o-Y excluding divested units.
~ Consolidated total revenues at Rs 20,319 crore, down 8.4% Y-o-Y on an underlying basis.
~ India revenues down 11.3% on an underlying basis; Africa revenues up 5.3% Y-o-Y (constant currency).
~ Mobile data traffic grows to 1,178 Bn MBs in the quarter; underlying growth of 460.4% Y-o-Y.
~ Africa EBITDA margin at 35.5%, up 10.8% Y-o-Y.
~ Consolidated EBITDA at Rs 7,587 crore.
~ Consolidated EBITDA margin at 37.3%, up 0.6% Y-o-Y.
~ Net Income for the quarter at Rs 306 crore (Q2'18: Rs 343 crore) vs Rs 504 crore in the corresponding quarter last year.

New Delhi, India, January 18, 2018: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the third quarter ended December 31, 2017.

The consolidated revenues for Q3'18 at Rs 20,319 crore de-grew 8.4% Y-o-Y (reported drop of 12.9%) on an underlying basis (viz. adjusted for India domestic termination rate reduction and Africa / Bangladesh divested operating units). Consolidated mobile data traffic at 1,178 Mn MBs in the quarter has registered a robust Y-o-Y growth of 460.4% on an underlying basis.

India revenues for Q3'18 at Rs 15,294 crore have declined by 11.3% Y-o-Y (15.1% on reported) on an underlying basis, adjusted for the impact in reduction of domestic termination rates. Y-o-Y de-growth primarily impacted by mobile drop of 17.6%. India other business have witnessed healthy growth e.g. 10.4% in Digital TV and 7.2% in Airtel Business on Y-o-Y basis. Mobile data traffic has grown more than 6x to 1,106 Bn MBs in the quarter as compared to 172 Bn MBs in the corresponding quarter last year. Mobile broadband customers increased by 64.9% to 62.1 Mn from 37.7 Mn in the corresponding quarter last year.

During the quarter, Bharti Airtel divested Ghana country operation in Africa. Effective current quarter, financials and operational parameters have been shown for balance 14 countries and the historical periods have been re-instated to make them comparable. In constant currency (1st Mar'17) terms, Africa revenues grew by 5.3% Y-o-Y led by strong growth in data and Airtel money transaction value. Mobile data traffic has grown by 95.3% to 66 Bn MBs in the quarter as compared to 34 Bn MBs in the corresponding quarter last year. Data customers increased by 39.4% to 23.3 Mn from 16.7 Mn in the corresponding quarter last year. Active Airtel Money customer base increased to 10.4 million, boosting the total transaction value on Airtel Money platform by 37.9% to $ 5.4 billion. Our continuous cost control initiatives have resulted in significant improvement of EBITDA margin by 10.8% Y-o-Y and stands at 35.5%.

Consolidated EBITDA at Rs 7,587 crore declined 11.5% Y-o-Y. Consolidated EBITDA margin increased by 0.6% to 37.3% in the quarter as compared to 36.7% in the corresponding quarter last year. Consolidated EBIT dropped by 26.5% Y-o-Y to Rs 2,701 crore. Net interest costs of Rs 2,081 crore have risen from Rs 1,810 crore in the corresponding quarter last year – largely due to lower investment income. During the quarter, forex and derivative losses was lower at Rs 7 crore compared to loss of Rs 126 crore in the corresponding quarter last year. The Consolidated Net Income after exceptional items for the quarter stands at Rs 306 crore (Q2'18: Rs 343 crore) compared to Rs 504 crore in corresponding quarter last year.

The company's consolidated net debt has increased to Rs 91,714 crore from Rs 91,480 crore in the previous quarter. Net debt excluding the deferred payment liabilities to the DOT and finance lease obligations has decreased by Rs 724 crore sequentially in the quarter. Net debt to EBITDA ratio (LTM) for the quarter at 3.01 times (vs 2.91 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 4.9% from 7.1% in the corresponding quarter last year.

The Company's Board has declared an interim dividend of Rs 2.84 per share, which is a complete pass through of dividend received from subsidiaries.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia,** said:
"Regulatory fiat in the form of a cut in domestic IUC rates has exacerbated the industry ARPU decline in Q3'18. The recent announcement of reduction in International termination rates will further accentuate this decline and benefit foreign operators with no commensurate benefit to customers. Continued investments in data capacities, strategic partnerships with content and handset providers and focus on customer friendly innovations like data rollover has led to healthy customer additions of 8.1 Mn during the quarter. Q3'18 has also seen the highest ever broadband site deployment of 32K in any quarter, complementing the robust data and voice traffic growth of 544% and 50% respectively on a Y-o-Y basis. We are committed to remaining the operator of choice for all customers in this rapidly consolidating industry."

In a statement, **Mr. Raghunath Mandava, MD and CEO, Africa**, said:
"Airtel has witnessed a revenue growth of 5.3% Y-o-Y with a higher net revenue growth of 8.8% Y-o-Y. During the quarter our sustained focus on Data and Airtel Money led to 95.3% increase in data traffic and 37.9% increase in Money transactions. EBITDA margins expanded 10.8% Y-o-Y and were at 35.5% for the quarter. Our plans continue to focus on investments in mobile broadband to deliver superior customer experience and we remain well positioned to capture the large untapped opportunities available across the continent."

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 2017	Dec 2016	Growth	Dec 2017	Dec 2016	Growth
Total revenues	20,319	23,336	-12.9%	64,054	73,534	-12.9%
EBITDA	7,587	8,570	-11.5%	23,414	27,628	-15.3%
EBITDA/ Total revenues	*37.3%*	*36.7%*		*36.6%*	*37.6%*	
EBIT	2,701	3,675	-26.5%	8,978	12,713	-29.4%
EBIT/ Total revenues	*13.3%*	*15.7%*		*14.0%*	*17.3%*	
Profit before tax	838	2,060	-59.3%	3,618	7,641	-52.6%
Net Income	306	504	-39.3%	1,016	3,426	-70.3%
Operating free cash flow (EBITDA - Capex)	1,121	2,717	-58.7%	2,879	11,562	-75.1%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Dec 2017	Sep 2017	Q-o-Q Growth	Dec 2016	Y-o-Y Growth
Mobile Services	**000's**	**376,393**	**366,060**	**2.8%**	**348,147**	**8.1%**
India	000's	290,113	282,047	2.9%	265,853	9.1%
South Asia	000's	2,150	2,086	3.1%	1,938	11.0%
Africa	000's	84,130	81,927	2.7%	80,356	4.7%
Homes	000's	2,164	2,159	0.2%	2,102	2.9%
Digital TV Services	000's	13,937	13,521	3.1%	12,588	10.7%
Airtel Business	000's	1,749	1,743	0.3%	1,728	1.2%
Total	**000's**	**394,243**	**383,484**	**2.8%**	**364,564**	**8.1%**

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 16 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 394 million customers across its operations at the end of December 2017. To know more please visit, www.airtel.com

Disclaimer:

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