Bharti Airtel Limited

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Part I : Statement of Consolidated Audited Financial Results for the quarter and six months ended September 30, 2015 (as per IFRS)

(Rs. Million except per share data)

S.No.	Particulars	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2014	Year ended March 31, 2015
		Audited	Audited	Audited	Audited	Audited	Audited
1	**Income from operations**						
	(a) Net Sales / Income from operations	238,357	236,709	228,452	475,066	458,068	920,394
	(b) Other Operating Income	162	99	165	261	604	957
	Total income from operations	**238,519**	**236,808**	**228,617**	**475,327**	**458,672**	**921,351**
2	**Expenses**						
	(a) Access charges	27,912	27,419	28,078	55,331	55,967	112,759
	(b) Network operations expense	52,961	51,548	51,425	104,509	102,661	203,372
	(c) License fees and spectrum charges (revenue share)	23,272	23,101	21,559	46,373	43,484	87,391
	(d) Depreciation and amortisation expenses	42,390	40,404	38,530	82,794	78,895	155,311
	(e) Employee benefits expense	12,417	12,115	11,909	24,532	23,589	47,123
	(f) Sales and marketing expenses	23,559	23,641	22,321	47,200	44,297	90,070
	(g) Administration and other expenses	15,896	16,422	16,272	32,318	34,343	66,753
	Total expenses	**198,407**	**194,650**	**190,094**	**393,057**	**383,236**	**762,779**
3	**Profit from operations before other income, net finance costs (including exchange fluctuation and related expenses), share of profit in joint ventures / associates, exceptional items and tax (1-2)**	**40,112**	**42,158**	**38,523**	**82,270**	**75,436**	**158,572**
4	Other income	-	-	-	-	-	-
5	**Profit before net finance costs (including exchange fluctuation and related expenses), share of profit in joint ventures / associates, exceptional items and tax (3+4)**	**40,112**	**42,158**	**38,523**	**82,270**	**75,436**	**158,572**
6	Net finance costs (including exchange fluctuation and related expenses)	19,483	19,276	10,264	38,759	19,907	50,133
7	Share of profit in joint ventures / associates	(2,404)	(2,126)	(1,709)	(4,530)	(3,287)	(7,223)
8	**Profit after net finance costs (including exchange fluctuation and related expenses), share of profit in joint ventures / associates but before exceptional items and tax (5-6-7)**	**23,033**	**25,008**	**29,968**	**48,041**	**58,816**	**115,662**
9	Exceptional items - net (credit) / charge (Refer Note 9 below)	(6,596)	(14,314)	1,750	(20,910)	3,570	8,532
10	**Profit from ordinary activities before tax (8-9)**	**29,629**	**39,322**	**28,218**	**68,951**	**55,246**	**107,130**
11	Tax expense (including benefit of Rs. 1,060 Mn and expense of Rs. 7,240 Mn for the quarter and six months ended Sep'15 respectively, expense of Rs. 8,300 Mn for the quarter ended Jun'15, expense of Rs. 1,121 Mn for the year ended Mar'15, and benefit of Rs. 62 Mn and expense of Rs. 637 Mn for the quarter and six months ended Sep'14 respectively,on exceptional items)	13,326	21,781	14,765	35,107	30,091	54,047
12	**Net profit from ordinary activities after tax (10-11)**	**16,303**	**17,541**	**13,453**	**33,844**	**25,155**	**53,083**
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	**Profit for the period / year (12-13)**	**16,303**	**17,541**	**13,453**	**33,844**	**25,155**	**53,083**
15	Minority interest (including impact of Rs. 93 Mn and Rs. 1,526 Mn for the quarter and six months ended Sep'15 respectively, Rs. 1,433 Mn for the quarter ended Jun'15, Rs (658) Mn for the year ended Mar'15 and Rs (107) Mn for the quarter and six months ended Sep'14, on exceptional items)	1,076	1,998	(379)	3,074	238	1,248
16	**Net profit for the period / year after tax and minority interest (14-15)**	**15,227**	**15,543**	**13,832**	**30,770**	**24,917**	**51,835**
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
18	Reserves excluding revaluation reserves and foreign currency translation reserve	675,844	671,203	616,212	675,844	616,212	651,707
19	**Earnings per share before / after extraordinary items (Face value Rs.5/- each)**						
	a. Basic and diluted EPS before Extraordinary items						
	i) Basic	3.810	3.890	3.462	7.700	6.237	12.973
	ii) Diluted	3.810	3.888	3.461	7.699	6.234	12.968

Part II Select information for the quarter and six months ended September 30, 2015

S.No.	Particulars	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2014	Year ended March 31, 2015
		Audited	Audited	Audited	Audited	Audited	Audited
A	PARTICULARS OF SHAREHOLDING						
1	**Public Shareholding**						
	a. Number of shares	1,379,105,362	1,379,999,090	1,382,261,502	1,379,105,362	1,382,261,502	1,382,770,714
	b. Percentage of shareholding	34.50%	34.52%	34.58%	34.50%	34.58%	34.59%
2	**Promoters and Promoter Group Shareholding**						
	a) Pledged / Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of Shares	2,616,286,801	2,616,286,801	2,613,218,746	2,616,286,801	2,613,218,746	2,613,218,746
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.45%	65.45%	65.37%	65.45%	65.37%	65.37%
3	**Non-promoter and Non-public shareholding**						
	- Number of Shares	2,007,939	1,114,211	1,919,854	2,007,939	1,919,854	1,410,642
	- Percentage of shareholding	0.05%	0.03%	0.05%	0.05%	0.05%	0.04%

S.No.	Particulars	Quarter ended September 30, 2015
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	Nil

Consolidated Audited Segment wise Revenue, Results and Capital Employed for the quarter and six months ended September 30, 2015

(Rs. Million)

Particulars	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2014	Year ended March 31, 2015
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
a) Mobile Services India	136,555	137,987	126,342	274,542	253,867	519,636
b) Mobile Services Africa	62,721	61,595	68,956	124,316	138,641	269,070
c) Mobile Services South Asia	4,045	3,886	3,893	7,931	8,264	15,759
d) Airtel Business	20,270	19,690	17,038	39,960	33,148	67,130
e) Tower Infrastructure Services	13,908	13,946	13,744	27,854	27,072	54,282
f) Telemedia Services	11,771	11,427	11,160	23,198	21,865	44,325
g) Digital TV Services	7,068	6,848	6,263	13,916	12,178	24,759
h) Others	673	799	727	1,472	1,508	2,914
i) Unallocated	-	-	-	-	-	-
Total	**257,011**	**256,178**	**248,123**	**513,189**	**496,543**	**997,875**
Less: Inter-segment revenue	18,654	19,469	19,671	38,123	38,475	77,481
Net sales / income from operations	**238,357**	**236,709**	**228,452**	**475,066**	**458,068**	**920,394**
2. Segment Results*						
Profit / (loss) before net finance costs (including exchange fluctuation and related expenses), exceptional items and tax						
a) Mobile Services India	30,729	33,747	28,986	64,476	58,502	124,703
b) Mobile Services Africa	1,216	761	3,819	1,977	6,592	11,727
c) Mobile Services South Asia	(1,612)	(1,829)	(1,340)	(3,441)	(2,416)	(6,138)
d) Airtel Business	3,473	2,425	2,487	5,898	4,242	7,713
e) Tower Infrastructure Services	5,806	6,087	5,306	11,893	10,270	21,731
f) Telemedia Services	2,857	2,967	2,129	5,824	3,885	8,689
g) Digital TV Services	170	415	(676)	585	(1,302)	(1,581)
h) Others	11	12	16	23	31	16
i) Unallocated	(204)	(501)	(458)	(705)	(957)	(1,064)
Total	**42,446**	**44,084**	**40,269**	**86,530**	**78,847**	**165,796**
Less: Inter-segment eliminations	(70)	(200)	37	(270)	124	1
Total profit before net finance costs (including exchange fluctuation and related expenses), exceptional items and tax	**42,516**	**44,284**	**40,232**	**86,800**	**78,723**	**165,795**
Less :						
Net finance costs (including exchange fluctuation and related expenses)	19,483	19,276	10,264	38,759	19,907	50,133
Exceptional items - net charge / (credit)	(6,596)	(14,314)	1,750	(20,910)	3,570	8,532
Total profit before tax	**29,629**	**39,322**	**28,218**	**68,951**	**55,246**	**107,130**
3. Capital employed						
(Segment assets - Segment liabilities)						
a) Mobile Services India	826,550	809,724	771,492	826,550	771,492	842,718
b) Mobile Services Africa	443,813	494,478	551,409	443,813	551,409	475,393
c) Mobile Services South Asia	17,948	17,567	22,319	17,948	22,319	18,340
d) Airtel Business	87,337	82,861	78,651	87,337	78,651	81,321
e) Tower Infrastructure Services	183,267	191,504	166,709	183,267	166,709	186,788
f) Telemedia Services	59,632	57,530	50,261	59,632	50,261	54,754
g) Digital TV Services	(35,205)	(35,188)	(34,849)	(35,205)	(34,849)	(35,425)
h) Others	(355)	(330)	(348)	(355)	(348)	(335)
i) Unallocated (net of eliminations)**	(905,743)	(927,963)	(946,042)	(905,743)	(946,042)	(955,465)
Total	**677,244**	**690,183**	**659,602**	**677,244**	**659,602**	**668,089**

* Segment results include share of results of the joint ventures and associates.

** Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs. 476,162 Mn (USD 7.24 Bn), Rs. 535,430 Mn (USD 8.4 Bn), Rs.554,776 Mn (USD 8.86 Bn) and Rs. 579,738 Mn (USD 9.41 Bn), for 3G and BWA licenses (including spectrum) of Rs. 21,150 Mn, Rs. 31,580 Mn, Rs. 45,153 Mn and Rs. 39,285 Mn as of September 30, 2015, June 30, 2015, March 31, 2015 and September 30, 2014, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

Notes to the financial results

1. The financial results for the quarter and six months ended September 30, 2015 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their meetings held on October 25, 2015 and October 26, 2015 respectively.

2. In terms of clause 41 of the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards ('IFRS') notified by the International Accounting Standards Board, for the purpose of the preparation of consolidated financial statements w.e.f. April 1, 2010 and has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).

3. During the quarter ended September 30, 2015, the Company made the following additional equity investments in its wholly owned subsidiaries:
   i) USD 575 Mn (Rs. 37,705 Mn) in Bharti Airtel International (Mauritius) Limited
   ii) Rs. 450 Mn in Airtel M Commerce Services Limited.

4. Subsequent to the quarter ended September 30, 2015, agreement for sale of tower assets in Malawi with Eaton Towers Africa has lapsed and therefore stands terminated thereby. Accordingly, assets and the related liabilities have been re-classified from held for sale to its earlier classification and the related depreciation charge of Rs. 166 Mn pertaining to previous quarters has been considered as an exceptional item.

5. During the quarter ended September 30, 2015, the Group has entered into an exclusive discussion with Axiata Group Berhad to explore the possibility of combining business operations of their telecommunication subsidiaries in Bangladesh.

6. During the quarter ended September 30, 2015, the Group has signed a definitive agreement to acquire 100% equity stake in Augere Wireless Broadband India Pvt. Ltd. The acquisition is subject to necessary statutory and regulatory approvals.

7. During the quarter ended September 30, 2015, Bharti Airtel Employee Welfare Trust (a trust set up for administration of Employee Stock Options Plan ('ESOP') schemes of the Company) acquired 15,00,000 equity shares of the Company from the open market at an average price of 342.69 per share and transferred 625,141 equity shares from other ESOP scheme to ESOP scheme 2005. 561,272 shares have been transferred to employees upon exercise of stock options, under ESOP Scheme 2005. As of September 30, 2015, the Trust holds 1,607,939 equity shares.

8. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company and one of its subsidiaries for Rs. 52,013 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

9. Exceptional items during the quarter ended September 30, 2015 comprises of: (i) net gain of Rs. 10,440 Mn pertaining to the divestment of telecom tower assets in Zambia, Uganda and Kenya; (ii) depreciation charge of Rs. 166 Mn arising out of the termination of the tower sale agreement as referred to in note 4 above; (iii) charge of Rs. 2,136 Mn towards operating costs on network refarming and up-gradation program; (iv) regulatory fee provisions of Rs. 1,426 Mn arising out of re-assessment of certain positions; (v) charge of Rs. 116 Mn towards restructuring activities in a few countries and (vi) net tax benefit of Rs. 1,060 Mn and impact on minority interests of Rs. 93 Mn on the above.

10. The Company, in its Annual General Meeting held on August 21, 2015, declared final dividend at the rate of Rs. 2.22 per equity share (face value of Rs. 5 each) aggregating to Rs. 8,874 Mn.

11. The audited financial results of the Company as per Indian GAAP are as follows:

(Rs. Million)

S.No.	Particulars	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended September 30, 2014	Six months ended September 30, 2015	Six months ended September 30, 2014	Year ended March 31, 2015
		Audited	Audited	Audited	Audited	Audited	Audited
1	Income from operations	148,245	148,213	135,813	296,458	272,091	554,964
2	Profit before tax and exceptional items	31,659	29,129	55,251	60,788	83,391	156,553
3	Profit before tax but after exceptional items	28,217	27,843	55,251	56,060	83,391	156,553
4	Profit after tax but before exceptional items	24,659	20,792	49,373	45,451	70,977	132,005
5	Profit after tax and exceptional items	22,237	19,951	49,373	42,188	70,977	132,005

12. In terms of clause 41 of the listing agreement, the audited consolidated statement of assets and liabilities is as follows:

(Rs. Million)

Particulars	As of	
	September 30, 2015	March 31, 2015
	Audited	Audited
Assets		
Property, plant and equipment	614,616	579,157
Goodwill on consolidation	419,925	414,823
Other Intangible assets	622,972	507,460
Investment (non-current)	28,007	31,260
Other non current and current assets	331,758	273,575
Inventories	1,571	1,339
Short term investments	71,499	92,840
Cash and cash equivalents	21,637	11,719
Assets of disposal group classified as held for sale*	5,906	45,645
Total assets	**2,117,891**	**1,957,818**
Equity and liabilities		
Equity		
Issued capital	19,987	19,987
Treasury shares	(527)	(114)
Reserves and surplus	609,565	599,691
Equity attributable to equity holders of parent	**629,025**	**619,564**
Non-controlling interest	48,219	48,525
Total equity	**677,244**	**668,089**
Liabilities		
Borrowings	660,955	663,672
Deferred payment liability	202,278	143,167
Provisions	10,038	8,309
Other non current and current liabilities#	567,049	469,136
Liabilities of disposal group classified as held for sale*	327	5,445
Total equity and liabilities	**2,117,891**	**1,957,818**

*Disposal group represents telcom towers held for sale in some countries under its Africa operations.

#Includes finance lease obligation

13. Previous year's / periods' figures have been regrouped/ rearranged, wherever required.

For Bharti Airtel Limited
Sd/-

Gopal Vittal
Managing Director and CEO (India & South Asia)

Singapore
October 26, 2015

'Bharti Airtel', or 'Company', stands for Bharti Airtel Limited.
'Group' or 'Consolidated', stands for Bharti Airtel together with its subsidiaries.
For more details on the financial results, please visit our website www.airtel.in