bharti

July 27, 2016

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, 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 first quarter (Q1) ended June 30, 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

Quarterly Consolidated revenues cross Rs 25,000 crore, up by 8.4% Y-o-Y

Mobile data revenues at Rs 4,640 crore, data volumes grew 62.5% Y-o-Y

Bharti Airtel announces consolidated Ind-AS results for the first quarter ended June 30, 2016

Highlights for the first quarter ended June 30, 2016

~ Overall customer stands at 357.8 million across 19 countries, up 9.3% Y-o-Y excluding divested units.
~ Consolidated total revenues at Rs 25,546 crore, growth of 8.4% Y-o-Y on underlying basis.
~ India revenues up 10.3%; Africa growth of 3.8% Y-o-Y on underlying basis.
~ Mobile data traffic at 194.8 billion megabytes in the quarter; growth of 62.5% Y-o-Y.
~ Consolidated Mobile Data revenues at Rs 4,640 crore, up 34.1% Y-o-Y; growth across geographies.
~ Consolidated EBITDA at Rs 9,591 crore, up by 16.4% Y-o-Y.
~ Consolidated EBITDA margin at 37.5%, up by 2.7% Y-o-Y.
~ Net Income for the quarter at Rs 1,462 crore.

New Delhi, India, July 27, 2016: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the first quarter ended June 30, 2016. The Company has adopted Indian Accounting Standards (Ind-AS) for its consolidated results effective April 01, 2016 with periods re-instated for like to like comparison.

The consolidated revenues for Q1'17 at Rs 25,546 crore grew 8.4% Y-o-Y (7.9% reported Y-o-Y) on an underlying basis, adjusted for Africa divested operating unit and tower assets sale. Consolidated mobile data revenues at Rs 4,640 crore grew by 34.1% Y-o-Y.

India revenues for Q1'17 at Rs 19,155 crore grew by 10.3% Y-o-Y (net revenues up 11.9% Y-o-Y). This was led by healthy growth of 9.1% in Mobile, 11.0% in Homes, 22.2% in Digital TV and 10.4% in Airtel Business on Y-o-Y basis. The Company has realigned its India segment reporting in line with management reorganisation. Consequently, Airtel Business also now includes the erstwhile Corporate fixed line voice and fixed line data business which was hitherto reported with Telemedia segment. Mobile Data revenues cross Rs 3,500 crore and at Rs 3,525 crore grew by 35.1% Y-o-Y, led by increase in the Data customer base by 19.1% and traffic by 54.9%. Mobile Broadband customers increased by 68.3% to 36.6 Mn from 21.7 Mn in the corresponding quarter last year. Data ARPU has moved up by Rs 21 Y-o-Y to Rs 202 in Q1'17, led by 28.1% increase in usage per customer. Mobile Data revenues now contribute to 23.7% of Mobile India revenues vis-à-vis 19.2% in the corresponding quarter last year.

In constant currency (1st Mar'16) terms, Africa revenues adjusted for the impact of divested operating unit and tower assets grew by 3.8% Y-o-Y (2.0% reported Y-o-Y). Data revenues at $ 154 million grew by 31.2% Y-o-Y, led by increase in Data customer base by 26.0% and traffic by 106.2%. Data ARPU increased to $ 3.2 from $ 3.1 in the corresponding quarter last year. Data revenues now contribute to 16.5% of overall Africa revenues vis-à-vis 12.9% in the corresponding quarter last year. Africa underlying EBITDA margin is up Y-o-Y by 3.6% to 22.5%. Active Airtel Money customer base at 8.6 million, boosting the total transaction value on Airtel Money platform by 62.0% to $ 5.1 billion.

Consolidated EBITDA at Rs 9,591 crore grew 16.4% Y-o-Y with EBITDA margin expanding by 2.7% to 37.5%, margins improvement in both the geographies. The consolidated EBIT of Rs 4,534 crore represents a Y-o-Y growth of 8.1%, despite higher spectrum amortization in India. Net interest costs of Rs 1,631 crore have risen from Rs 1,124 crore in the corresponding quarter last year – largely due to higher spectrum interest costs. During the quarter, Nigerian Naira devalued by 42.1%, net forex losses of Rs 748 Crore on account of this has been classified under exceptional items. Except for Nigeria, stable currencies in most of the geographies resulted in lower forex and derivative losses of Rs 309 crore compared to Rs 797 crore in the corresponding quarter last year. After accounting for exceptional items (net gains of Rs 82 crore), the Consolidated Net Income for the quarter stands at Rs 1,462 crore compared to Rs 2,113 crore in corresponding quarter last year. Q1'16 Net Income of Rs 2,113 crore has been re-instated to Ind-AS from previously reported IFRS figures which includes an exceptional gain of Rs 556 crore on account of this re-instatement.

The company's consolidated net debt excluding the deferred payment liabilities to the DOT and finance lease obligations has decreased to $ 6,891 million from $ 7,451 million in the previous quarter. Net debt to EBITDA ratio (LTM) for the quarter improved to 2.37 from 2.46 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 7.6% from 8.6% in the corresponding quarter last year.

Over the past 24 months, Bharti Airtel has undertaken tower assets sales in 11 countries (with 9 closed and settled and 2 to be closed shortly) and divested 2 country telecom operations (Burkina Faso and Sierra Leone) - for a sum total consideration of $ 3.25 billion. All the sale proceeds/agreements are denominated in USD or Euro and have helped in deleveraging such that acquisition bank debt in Airtel Netherlands is zero as on date. These proceeds have also helped in reducing foreign exchange risk as well as ongoing tower capex and management, thereby allowing a much sharper focus on customer centric activities in the market.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia,** said:
"The year has begun well with revenue growth of 10.3% Y-o-Y and continued revenue market share gains. In continuation of our Project Leap announcement, we have now transparently opened up our entire mobile network to our customers so as to partner them in striving to deliver a world class experience".

In a statement, **Mr. Christian de Faria, Executive Chairman, Africa**, said:
"Airtel Africa registered organic revenue growth of 3.8% Y-o-Y despite headwinds due to implementation of stringent KYC norms in a few countries. With over 21% of our customer now using data, volumes have more than doubled. Airtel Money continues to lead with transaction values growing over 62% Y-o-Y. Our continued focus on driving cost efficiencies led to EBITDA margin improvement for a fourth consecutive quarter.

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 2016	Jun 2015	
Total revenues	25,546	23,671	7.9%
EBITDA	9,591	8,240	16.4%
EBITDA/ Total revenues	*37.5%*	*34.8%*	
EBIT	4,534	4,194	8.1%
EBIT/ Total revenues	*17.7%*	*17.7%*	
Profit before tax	2,847	2,505	13.6%
Net Income	1,462	2,113	-30.8%
Operating free cash flow	4,666	4,248	9.9%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Jun 2016	Mar 2016	Q-o-Q Growth	Jun 2015	Y-o-Y Growth
Mobile Services	**000's**	**341,965**	**342,040**	**0.0%**	**318,004**	**7.5%**
India	000's	255,735	251,237	1.8%	230,662	10.9%
South Asia	000's	9,245	10,238	-9.7%	9,019	2.5%
Africa	000's	76,986	80,564	-4.4%	78,323	-1.7%
Homes	000's	2,020	1,949	3.6%	1,707	18.3%
Digital TV Services	000's	12,149	11,725	3.6%	10,412	16.7%
Airtel Business	000's	1,712	1,714	-0.1%	1,737	-1.4%
Total	**000's**	**357,846**	**357,428**	**0.1%**	**331,860**	**7.8%**

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 19 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, IPTV, 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 357 million customers across its operations at the end of June 2016. To know more please visit, www.airtel.com

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