bharti

May 09, 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 quarter ended March 31, 2017 and financial year April 01, 2016 to March 31, 2017

Dear Sir / Madam,

Pursuant to Regulation 30 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 quarter ended March 31, 2017 and for the financial year April 01, 2016 to March 31, 2017.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

For Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary

BHARTI AIRTEL LIMITED NEW DELHI

Bharti Airtel Limited

Airtel strengthened its leadership in India with all time high revenue market share

Full Year Consolidated Revenues at Rs 95,468 crore, grew 1.1% Y-o-Y (underlying)

Africa operation turned into full year PBT positive (constant currency)

Bharti Airtel announces consolidated Ind-AS results for the fourth quarter and the year ended March 31, 2017

Highlights for the fourth quarter ended March 31, 2017

~ Overall customer stands at 372.4 million across 17 countries, up 8.5% Y-o-Y excluding divested units.
~ Consolidated total revenues at Rs 21,935 crore, down 8.8% Y-o-Y on an underlying basis.
~ India revenues down 7.1%; Africa revenues up 2.6% Y-o-Y (constant currency) on an underlying basis.
~ Mobile data traffic at 271 Bn MBs in the quarter; underlying growth of 56.3% Y-o-Y.
~ Consolidated Mobile Data revenues at Rs 3,686 crore, down 14.6% Y-o-Y on an underlying basis.
~ Consolidated EBITDA at Rs 7,993 crore, down 13.0% Y-o-Y.
~ Consolidated EBITDA margin at 36.4%, down 0.4% Y-o-Y.
~ Net Income for the quarter at Rs 373 crore (Q3'17: Rs 504 crore) vs Rs 1,319 crore in the corresponding quarter last year.

Highlights for the year ended March 31, 2017

~ Consolidated total revenues at Rs 95,468 crore, up 1.1% Y-o-Y on an underlying basis.
~ Consolidated EBITDA at Rs 35,621 crore, up by 4.3% Y-o-Y, EBITDA margin up 1.9% Y-o-Y.
~ Net Income at Rs 3,799 crore, down by 37.5% Y-o-Y.
~ Acquisition of Telenor operations and Tikona's business further strengthens the Pan India spectrum footprint.
~ Board Proposes final dividend of Rs 1.00 per share (PY: Rs 1.36 per share).

New Delhi, India, May 09, 2017: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the fourth quarter and the full year ended March 31, 2017.

Q4 Performance:

The consolidated revenues for Q4'17 at Rs 21,935 crore, Y-o-Y drop of 8.8% (reported drop of 12.1%) on an underlying basis (viz. adjusted for Africa / Bangladesh divested operating units and tower assets sale). Consolidated Y-o-Y revenue growth muted by 3.2% on account of Nigeria currency devaluation. Consolidated mobile data revenues for the quarter at Rs 3,686 crore, Y-o-Y drop of 14.6% on an underlying basis.

India revenues for Q4'17 at Rs 17,036 crore drop by 7.1% Y-o-Y primarily led by Mobile drop of 11.4% Y-o-Y. Mobile market remains turbulent in the current quarter as well due to free offering by a new operator. We have added significant data capacities by rolling out +72K incremental Mobile Broadband base stations vs last year. Mobile Broadband customers increased by 20.5% to 42.7 Mn from 35.5 Mn in the corresponding quarter last year. Mobile Data revenues now contribute to 21.5% of Mobile India revenues vis-à-vis 23.3% in the corresponding quarter last year.

In constant currency (1st Mar'16) terms, Africa underlying revenues grew by 2.6% Y-o-Y. Data revenues at $ 157 million grew by 14.5% Y-o-Y, led by increase in Data customer base by 19.3% and traffic by 77.0%. Data ARPU at $ 2.9 as compared to $ 3.1 in the corresponding quarter last year. Data revenues now contribute to 17.7% of overall Africa revenues vis-à-vis 15.7% in the corresponding quarter last year. Tight control over costs has resulted in significant improvement in EBITDA margin by 7.1% Y-o-Y and is at 26.8%. Active Airtel Money customer base at 9.0 million, increasing the total transaction value on Airtel Money platform by 35.1% to $ 4.0 billion.

Consolidated EBITDA at Rs 7,993 crore de-grew 13.0% Y-o-Y with EBITDA margin dropping by 0.4% to 36.4%, led by India SA margin drop of 2.4% Y-o-Y on an underlying basis. The consolidated EBIT of Rs 2,964 crore represents a Y-o-Y de-growth of 31.4% on account of higher spectrum amortization costs in India. Net interest costs of Rs 1,908 crore have risen from Rs 1,524 crore in the corresponding quarter last year – largely due to increased spectrum related interest costs. Forex and derivative loss for the quarter came in at Rs 8 crore compared to loss of Rs 177 crore in the corresponding quarter last year. After accounting for

exceptional items (net loss of Rs 73 crore), the Consolidated Net Income for the quarter stands at Rs 373 crore (Q3'17: Rs 504 crore) compared to Rs 1,319 crore in corresponding quarter last year.

Full Year Performance:

Annual consolidated revenues at Rs 95,468 crore grew by 1.1% over the previous year (reported drop of 1.1%) on an underlying basis, led by growth of 3.6% in India. Africa top-line grew by 4.4% (constant currency) on an underlying basis. Consolidated revenue growth impacted by 2.7% due to currency devaluation in Africa primarily contributed by Nigerian Naira. Consolidated EBITDA at Rs 35,621 crore reflects an EBITDA margin of 37.3%, an improvement of 1.9% over the previous year, EBIT at Rs 15,677 crore de-grew by 5.7%, with margin dropping by 0.8% as compared to previous year. The Company has generated a healthy OFCF of Rs 15,746 crore during the year which grew by 16.0% vs previous year. Net Income for the year de-grew by 37.5% to Rs 3,799 crore (PY: Rs 6,077 crore).

The company's consolidated net debt has decreased to $ 14,094 million from $ 14,339 million in the previous quarter. Net debt excluding the deferred payment liabilities to the DOT and finance lease obligations has decreased to $ 7,321 million from $ 7,650 million in the previous quarter. Net debt to EBITDA ratio (LTM) for the quarter has moved to 2.73 times from 2.69 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 6.5% from 8.3% in the previous year.

The Board has proposed a final dividend of Rs 1.00 per share (face value of Rs 5 per share) for the financial year ended March 31, 2017, subject to approval by the shareholders (PY: Rs 1.36 per share).

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia,** said:
"The sustained predatory pricing by the new operator has led to a decline in revenue growth for the second quarter in a row. The telecom industry as a whole also witnessed a revenue decline for the first time ever on a full year basis. The deteriorating health of the industry was compounded by the tsunami of incoming voice traffic from the new operator as a result of which significant investments had to be made just to carry the incoming traffic on our network. The net result of this was a revenue decline of 7.1% in Q4 even as EBITDA margins eroded by 2.9%. FY 16-17 saw a muted top line growth of 3.6% vs the double digit growth witnessed in preceding years.
Our long term commitment to provide the best experience to our customers continues to drive all our actions in every single aspect of the business. This belief coupled with brilliant execution of our people has led to acceleration in market share in an industry that is now rapidly consolidating".

In a statement, **Mr. Raghunath Mandava, MD and CEO, Africa**, said:
"Airtel Africa underlying revenues grew by 4.4% in constant currency terms during FY 16-17 with net revenues up a healthy 5.0% as we shed unprofitable lines. Revenue market shares in our key geographies continue to accelerate. Our efforts to deliver a profitable business model for Africa has resulted in EBITDA growth of 36.0% with margin expanding by +500 basis points on an underlying basis in FY 16-17. For the first time ever, African operation has delivered positive PBT in the financial year (constant currency).
Data consumption and revenues have grown by 95.5% & 23.5% respectively in FY 16-17. We remain focussed on accelerating growth through improved customer experience and superior network quality".

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	Year Ended		Y-o-Y
	Mar 2017	Mar 2016	Growth	Mar 2017	Mar 2016	Growth
Total revenues	21,935	24,960	-12.1%	95,468	96,532	-1.1%
EBITDA	7,993	9,188	-13.0%	35,621	34,168	4.3%
EBITDA/ Total revenues	*36.4%*	*36.8%*		*37.3%*	*35.4%*	
EBIT	2,964	4,319	-31.4%	15,677	16,622	-5.7%
EBIT/ Total revenues	*13.5%*	*17.3%*		*16.4%*	*17.2%*	
Profit before tax	1,251	2,908	-57.0%	8,893	10,672	-16.7%
Net Income	373	1,319	-71.7%	3,800	6,077	-37.5%
Operating free cash flow (EBITDA - Capex)	4,185	3,131	33.7%	15,746	13,576	16.0%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Mar 2017	Dec 2016	Q-o-Q Growth	Mar 2016	Y-o-Y Growth
Mobile Services	**000's**	**355,673**	**348,147**	**2.2%**	**342,040**	**4.0%**
India	000's	273,648	265,853	2.9%	251,237	8.9%
South Asia	000's	1,964	1,938	1.3%	10,238	-80.8%
Africa	000's	80,061	80,356	-0.4%	80,564	-0.6%
Homes	000's	2,129	2,102	1.3%	1,949	9.2%
Digital TV Services	000's	12,815	12,588	1.8%	11,725	9.3%
Airtel Business	000's	1,736	1,728	0.5%	1,714	1.3%
Total	**000's**	**372,354**	**364,564**	**2.1%**	**357,428**	**4.2%**

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

Disclaimer:

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