



October 25, 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 second quarter (Q2) and half year ended September 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 second quarter (Q2) and half year ended September 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
(a Bharti Enterprise)

Regd. & Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
T.: +91-11-4666 6100, F.: +91-11-4166 6137, Email id: compliance.officer@bharti.in, www.airtel.com
CIN: L74899DL1995PLC070609

Bharti Airtel Limited

Airtel fortifies its strong spectrum portfolio and well positioned to lead India's digital revolution

Mobile data revenues at Rs 4,536 crore, data volumes grew 61.6% Y-o-Y

Bharti Airtel announces consolidated Ind-AS results for the second quarter ended September 30, 2016

Highlights for the second quarter ended September 30, 2016

- ~ Overall customer stands at 363.1 million across 18 countries, up 8.5% Y-o-Y excluding divested units.
- ~ Consolidated total revenues at Rs 24,652 crore, growth of 5.6% Y-o-Y on underlying basis.
- ~ India revenues up 10.1%; Africa growth of 4.7% Y-o-Y on underlying basis.
- ~ Mobile data traffic crosses 200 Bn MBs and at 222 Bn MBs in the quarter; underlying growth of 61.6% Y-o-Y.
- ~ Consolidated Mobile Data revenues at Rs 4,536 crore, up 21.0% Y-o-Y on underlying basis.
- ~ Consolidated EBITDA at Rs 9,466 crore, up by 14.5% Y-o-Y.
- ~ Consolidated EBITDA margin at 38.4%, up by 3.7% Y-o-Y.
- ~ Net Income for the quarter at Rs 1,461 crore vs Rs 1,536 crore in the corresponding quarter last year.

New Delhi, India, October 25, 2016: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind-AS results for the second quarter ended September 30, 2016.

The consolidated revenues for Q2'17 at Rs 24,652 crore grew 5.6% Y-o-Y (3.4% reported Y-o-Y) on an underlying basis (viz. adjusted for Africa divested operating units and tower assets sale). Consolidated revenue growth muted by 3.3% on account of full quarter impact of Nigeria currency devaluation. Consolidated mobile data revenues at Rs 4,536 crore grew by 21.0% Y-o-Y on underlying basis.

India revenues for Q2'17 at Rs 19,219 crore grew by 10.1% Y-o-Y. This was led by healthy growth of 20.9% in Digital TV, 19.2% in Airtel Business, 14.9% in Homes and 7.9% in Mobile (net revenues up 10.3%) on Y-o-Y basis. Mobile Data revenues at Rs 3,576 crore grew by 23.6% Y-o-Y, led by increase in the Data customer base by 22.8% and traffic by 54.9%. Mobile Broadband customers increased by 62.2% to 41.3 Mn from 25.5 Mn in the corresponding quarter last year. Data ARPU has moved up by Rs 8 Y-o-Y to Rs 201 in Q2'17, led by 30.6% increase in usage per customer. Mobile Data revenues now contribute to 24.7% of Mobile India revenues vis-à-vis 21.5% in the corresponding quarter last year.

Over the last 2 quarters, Bharti Airtel had divested 2 country telecom operations (Burkina Faso & Sierra Leone) in Africa. Effective current quarter, financials and operational parameters have been shown for balance 15 countries and the historical periods have been re-instated to make them comparable. In constant currency (1st Mar'16) terms, Africa underlying revenues grew by 4.7% Y-o-Y (3.7% reported Y-o-Y) continuing the growth trajectory of past few quarters. Data revenues at \$ 147 million grew by 24.9% Y-o-Y, led by increase in Data customer base by 32.3% and traffic by 116.8%. Data ARPU moved to \$ 2.9 from \$ 3.0 in the corresponding quarter last year. Data revenues now contribute to 16.3% of overall Africa revenues vis-à-vis 13.6% in the corresponding quarter last year. Africa underlying EBITDA margin is up Y-o-Y by 5.3% (up 4.6% reported Y-o-Y) to 23.5%. Active Airtel Money customer base at 9.1 million, boosting the total transaction value on Airtel Money platform by 53.7% to \$ 3.8 billion.

Consolidated EBITDA at Rs 9,466 crore grew 14.5% Y-o-Y with EBITDA margin expanding by 3.7% to 38.4% with margins improvement in both geographies. The consolidated EBIT of Rs 4,504 crore represents a Y-o-Y growth of 12.3%, despite higher spectrum amortization in India. Net interest costs of Rs 1,603 crore have risen from Rs 1,053 crore in the corresponding quarter last year – largely due to increased spectrum related interest costs. During the quarter, except for Nigeria, currencies were stable in most of the geographies, hence resulted in lower forex and derivative losses of Rs 302 crore compared to Rs 822 crore in the corresponding quarter last year. After accounting for exceptional items (net gains of Rs 91 crore), the Consolidated Net Income for the quarter stands at Rs 1,461 crore compared to Rs 1,536 crore in corresponding quarter last year.

The company's consolidated net debt excluding the deferred payment liabilities to the DOT and finance lease obligations has decreased to \$ 6,547 million from \$ 6,891 million in the previous quarter. Net debt to EBITDA ratio (LTM) for the quarter improved to 2.28 from 2.37 in the previous quarter. High spectrum costs and

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consequent increase in associated amortization costs has resulted in deterioration of Return on Capital Employed (ROCE) to 7.4% from 9.1% in the corresponding quarter last year.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia**, said:

“Our strong focus on enhancing customer experience and building a robust network has resulted in continued acceleration of revenue market share. Overall Revenue momentum in India has been sustained during Q2 with a growth of 10.1% Y-o-Y. This is primarily due to the strong performance of our non-mobile businesses which grew in aggregate at 18.8% Y-o-Y, albeit our mobile business has experienced a slowdown in growths due to free services being offered by a new operator. But, we remain excited about the long term opportunity in India and believe that with the recently acquired spectrum, we are well positioned to lead India’s data revolution”.

In a statement, **Mr. Raghunath Mandava, Chief Operating Officer, Africa**, said:

“Underlying Africa revenue growth for the quarter was 4.7% Y-o-Y, backed by our focus on profitable top line growth, led via localized distribution, stronger data networks and our war on waste program. Customer growth with focus on quality helped garner the highest net adds over the past 4 quarters, with churn remaining stable. With over 23% of our customers now using data, consumption and revenues have grown by 116.8% & 24.9% Y-o-Y respectively. Airtel Money also continues to lead with transaction values growing over 53% Y-o-Y, and base expansion of 15.3% Y-o-Y. As a result, our EBITDA margin has improved by 5.3% Y-o-Y on an underlying basis”.

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	Six Months Ended		Y-o-Y Growth
	Sep 2016	Sep 2015		Sep 2016	Sep 2015	
Total revenues	24,652	23,836	3.4%	50,198	47,507	5.7%
EBITDA	9,466	8,265	14.5%	19,057	16,505	15.5%
EBITDA/ Total revenues	38.4%	34.7%		38.0%	34.7%	
EBIT	4,504	4,011	12.3%	9,038	8,205	10.2%
EBIT/ Total revenues	18.3%	16.8%		18.0%	17.3%	
Profit before tax	2,735	2,313	18.3%	5,582	4,818	15.9%
Net Income	1,461	1,536	-4.9%	2,923	3,649	-19.9%
Operating free cash flow	4,179	3,231	29.3%	8,845	7,479	18.3%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Sep 2016	Jun 2016	Q-o-Q Growth	Sep 2015	Y-o-Y Growth
Mobile Services	000's	346,886	341,965	1.4%	325,899	6.4%
India	000's	259,941	255,735	1.6%	235,212	10.5%
South Asia	000's	8,800	9,245	-4.8%	9,852	-10.7%
Africa	000's	78,145	76,986	1.5%	80,835	-3.3%
Homes	000's	2,083	2,020	3.2%	1,790	16.4%
Digital TV Services	000's	12,405	12,149	2.1%	10,576	17.3%
Airtel Business	000's	1,714	1,712	0.1%	1,733	-1.1%
Total	000's	363,088	357,846	1.5%	339,999	6.8%

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 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, 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 363 million customers across its operations at the end of September 2016. To know more please visit, www.airtel.com

Disclaimer:

[This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.]