

Bharti Airtel Limited

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Statement of Audited Consolidated Financial Results for the quarter and nine months ended December 31, 2015 (as per IFRS)

(Rs Million except per share data)

S.No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Nine months	Nine months	Year ended
		December 31, 2015	September 30, 2015	December 31, 2014	ended December 31, 2015	ended December 31, 2014	March 31, 2015
		Audited	Audited	Audited	Audited	Audited	Audited
1	Income from operations						
	(a) Net Sales / Income from operations	240,659	238,367	232,171	715,725	690,239	920,394
	(b) Other Operating Income	375	162	110	636	714	957
	Total income from operations	241,034	238,519	232,281	716,361	690,953	921,351
2	Expenses						
	(a) Access charges	27,144	27,912	28,804	82,475	84,771	112,759
	(b) Network operations expense	53,415	52,961	53,007	157,924	155,558	203,372
	(c) License fees and spectrum charges (revenue share)	23,507	23,272	22,172	69,880	65,556	87,391
	(d) Depreciation and amortisation expenses	43,541	42,390	38,015	126,335	116,910	155,311
	(e) Employee benefits expense	12,176	12,417	11,653	36,708	35,242	47,123
	(f) Sales and marketing expenses	24,302	23,559	22,770	71,502	67,067	90,070
	(g) Administration and other expenses	15,978	15,896	16,018	48,296	50,361	66,753
	Total expenses	200,063	198,407	192,439	593,120	575,675	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)	40,971	40,112	39,842	123,241	115,278	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)	40,971	40,112	39,842	123,241	115,278	158,572
6	Net finance costs (including exchange fluctuation and related expenses)	13,971	19,483	10,523	52,730	30,430	50,133
7	Share of profit in joint ventures / associates	(2,463)	(2,404)	(1,800)	(6,993)	(5,087)	(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)	29,463	23,033	31,119	77,504	89,935	115,662
9	Exceptional items - net charge/(credit) (Refer Note 7 below)	3,405	(6,596)	2,921	(17,505)	6,491	8,532
10	Profit from ordinary activities before tax (8-9)	26,058	29,629	28,198	95,009	83,444	107,130
11	Tax expense (including benefit of Rs. 428 Mn and expense of Rs. 6,812 Mn for the quarter and nine months ended Dec 15 respectively, benefit of Rs. 1,050 Mn for the quarter ended Sept 15, expense of Rs. 1,121 Mn for the year ended Mar 15, and expense of Rs. 536 Mn and expense of Rs. 1,173 Mn for the quarter and nine months ended Dec 14 respectively on exceptional items)	13,499	13,326	13,145	48,606	43,236	54,047
12	Net profit from ordinary activities after tax (10-11)	12,559	16,303	15,053	46,403	40,208	53,083
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	Profit for the period / year (12-13)	12,559	16,303	15,053	46,403	40,208	53,083
15	Minority interest (including impact of Rs. (182) Mn and Rs. 1,344 Mn for the quarter and nine months ended Dec 15 respectively, Rs. 93 Mn for the quarter ended Sept 15, Rs. (658) Mn for the year ended Mar 15 and Rs. (531) and Rs. (638) Mn for the quarter and nine months ended Dec 14, respectively on exceptional items)	1,390	1,076	688	4,464	926	1,248
16	Net profit for the period / year after tax and minority interest (14-15)	11,169	15,227	14,365	41,939	39,282	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	687,376	675,644	628,777	687,376	628,777	651,707
19	Earnings per share before / after extraordinary items (Face value Rs.5/- each)						
	i) Basic	2.80	3.81	3.60	10.50	9.83	12.97
	ii) Diluted	2.79	3.81	3.59	10.49	9.83	12.97



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Audited Consolidated Segment wise Revenue, Results and Capital Employed for the quarter and nine months ended December 31, 2015

(Rs. Million)

Particulars	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended December 31, 2014	Nine months ended December 31, 2015	Nine months ended December 31, 2014	Year ended March 31, 2015
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
a) Mobile Services India	139,751	136,555	131,634	414,293	385,501	519,636
b) Mobile Services Africa	62,506	62,721	68,277	186,822	206,918	269,070
c) Mobile Services South Asia	4,135	4,045	3,788	12,066	12,052	15,759
d) Airtel Business	19,265	20,270	16,177	59,225	49,325	67,130
e) Tower Infrastructure Services	14,104	13,908	13,692	41,958	40,764	54,262
f) Telemedia Services	11,951	11,771	11,171	35,149	33,036	44,325
g) Digital TV Services	7,422	7,068	6,234	21,338	18,412	24,759
h) Others	793	673	690	2,265	2,198	2,914
i) Unallocated	-	-	-	-	-	-
Total	259,927	257,011	251,663	773,116	748,206	997,875
Less: Inter-segment revenue	19,268	18,654	19,492	57,391	57,967	77,481
Net sales / income from operations	240,659	238,357	232,171	715,725	690,239	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	30,980	30,729	31,616	95,456	90,118	124,703
b) Mobile Services Africa	1,947	1,216	3,188	3,924	9,780	11,727
c) Mobile Services South Asia	(1,868)	(1,612)	(1,783)	(5,309)	(4,199)	(6,138)
d) Airtel Business	2,909	3,473	1,929	8,807	6,171	7,713
e) Tower Infrastructure Services	6,232	5,806	5,511	18,125	15,781	21,731
f) Telemedia Services	3,135	2,857	2,013	8,959	5,898	8,689
g) Digital TV Services	538	170	(360)	1,123	(1,662)	(1,581)
h) Others	(15)	11	10	8	41	16
i) Unallocated	(389)	(204)	(437)	(1,094)	(1,394)	(1,064)
Total	43,469	42,446	41,687	129,999	120,534	165,796
Less: Inter-segment eliminations	35	(70)	45	(235)	159	1
Total profit before net finance costs (including exchange fluctuation and related expenses), exceptional items and tax	43,434	42,516	41,642	130,234	120,365	165,795
Less:						
Net finance costs (including exchange fluctuation and related expenses)	13,971	19,483	10,523	52,730	30,430	50,133
Exceptional items - net charge / (credit)	3,405	(6,596)	2,921	(17,505)	6,491	8,532
Total profit before tax	26,058	29,629	28,198	95,009	83,444	107,130
3. Capital employed						
(Segment assets - Segment liabilities)						
a) Mobile Services India	846,368	826,550	798,584	846,368	798,584	842,718
b) Mobile Services Africa	425,488	443,813	527,153	425,488	527,153	475,393
c) Mobile Services South Asia	16,862	17,948	21,851	16,862	21,851	18,340
d) Airtel Business	90,342	87,337	81,273	90,342	81,273	81,321
e) Tower Infrastructure Services	188,016	183,267	181,032	188,016	181,032	186,788
f) Telemedia Services	61,947	59,632	52,116	61,947	52,116	54,754
g) Digital TV Services	(34,801)	(35,205)	(35,368)	(34,801)	(35,368)	(35,425)
h) Others	(368)	(355)	(333)	(368)	(333)	(335)
i) Unallocated (net of eliminations)**	(903,706)	(905,743)	(973,457)	(903,706)	(973,457)	(955,465)
Total	690,148	677,244	652,851	690,148	652,851	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. 425,266 Mn (USD 6.42 Bn), Rs. 476,162 Mn (USD 7.24 Bn), Rs.554,776 Mn (USD 8.86 Bn) and Rs. 572,524 Mn (USD 9.04 Bn), for 3G and BWA licenses (including spectrum) of Rs. 13,150 Mn, Rs. 21,150 Mn, Rs. 45,153 Mn and Rs. 30,153 Mn as of December 31, 2015, September 30, 2015, March 31, 2015 and December 31, 2014, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.



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Notes to the Financial Results

1. The financial results for the quarter and nine months ended December 31, 2015 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their respective meetings held on January 28, 2016.
2. In terms of erstwhile clause 41 of the listing agreement, the Company had 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 had decided to publish only the consolidated financial results in the newspapers. Further, in accordance with the relaxation provided by Securities and Exchange Board of India ('SEBI') as to the requirements of clause 33(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company will continue the option of publishing consolidated financial results under IFRS for the quarter ended December 31, 2015, and quarter and financial year ending March 31, 2016.
3. During the quarter ended December 31, 2015, the Company made the following additional equity investments in its wholly owned subsidiaries:
 - i) USD 550 Mn (Rs. 36,494 Mn) in Bharti Airtel International (Mauritius) Limited.
 - ii) Rs. 250 Mn in Airtel M Commerce Services Limited.
 - iii) Rs. 471 Mn in Bharti Airtel Lanka (Private) Limited.
4. During the nine month period ended December 31, 2015, Bharti Airtel International Netherlands B.V. (a subsidiary of the Company), has entered into non-binding but exclusive agreement with Orange to explore the possible acquisition of Group's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone. Subsequent to the balance sheet date, the Group has entered into definitive agreement to sell group's operations in Burkina Faso and Sierra Leone and the exclusive agreement for the remaining two countries have lapsed. The transaction is subject to regulatory approvals and other closing conditions.
5. During the quarter ended December 31, 2015, Bharti Airtel Employee Welfare Trust (a trust set up for administration of Employee Stock Options Plan ('ESOP') schemes of the Company) has transferred 53,781 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of December 31, 2015, the Trust holds 1,554,158 equity shares.
6. 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.
7. Exceptional items during the quarter ended December 31, 2015 comprises of: (i) net gain of Rs.60 Mn pertaining to the divestment of telecom tower assets; (ii) charge of Rs. 1,152 Mn towards operating costs on network refarming and up-gradation program; (iii) charge of Rs. 2,313 Mn towards restructuring activities in a few countries and (vi) net tax impact of Rs. 428 Mn and impact on minority interest of Rs. 182 Mn on the above.



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

For Bharti Airtel Limited



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



New Delhi
January 28, 2016



Notes:

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