

Bharti Airtel Limited

Airtel becomes the 3rd largest mobile operator in the world Mobile Data boom continues with 86.5% Y-o-Y traffic growth

Bharti Airtel announces consolidated IFRS results for the first quarter ended June 30, 2015

Highlights for the first quarter ended June 30, 2015

- ~ Overall customer base stands at 331.9 million across 20 countries, up 10.7% Y-o-Y.
- ~ With 318.0 million wireless customers, Airtel is now clearly the No.3 in the world in customer base terms
- ~ Consolidated total revenues at Rs 23,671 crore, up 3.1% Y-o-Y
- ~ India revenues up 12.7% Y-o-Y on underlying basis
- ~ Mobile data traffic at 119.8 billion megabytes in the quarter; growth of 86.5% Y-o-Y
- ~ Consolidated Mobile Data revenues at Rs 3,459 crore, up 56.9% Y-o-Y
- ~ Consolidated EBITDA margin up 1.1%; EBIT margin up 1.7% Y-o-Y
- ~ India EBITDA margin at 40.4%, up 2.1% Y-o-Y
- ~ Net Income at Rs 1,554 crore, up 40.2% Y-o-Y

New Delhi, India, August 04, 2015: Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated IFRS results for the first quarter ended June 30, 2015.

The consolidated revenues for Q1'16 at Rs 23,671 crore grew by 3.1% over the corresponding quarter last year. Consolidated Mobile data revenues at Rs 3,459 crore grew by 56.9% Y-o-Y, uplifted by data traffic growth of 86.5%.

India revenues reported a growth of 10.0% Y-o-Y, led by 22.2% in 'airtel business' (B2B) and 15.8% in Digital TV. Adjusted for the impact in reduction of termination rates, India revenues grew on an underlying basis by 12.7% and Mobile revenues by 12.2% Y-o-Y. Mobile Data revenue at Rs 2,609 crore registered a growth of 67.3% Y-o-Y in India, uplifted by increase in the Data customer base by 25.8% and traffic by 83.4%. Data ARPU has moved up by Rs 42 to Rs 181 in Q1'16, led by 42.7% increase in data usage per customer. Mobile Data revenues contribute to 19.2% of Mobile India revenues vis-à-vis 12.4% in the corresponding quarter last year.

In constant currency terms, Africa revenues grew by 1.0% Y-o-Y. Data revenues stood at \$ 128 Mn with growth of 48.5% Y-o-Y, led by increase in Data customer base by 31.9% and traffic by 111.6%. Data ARPU increased to \$ 3.3 from \$ 3.0 in the corresponding quarter last year. Data revenues contribute to 12.9% of overall Africa revenues vis-à-vis 8.8% in the corresponding quarter last year. Active Airtel Money customer base increased to 7.0 million, boosting the total transaction values on Airtel Money platform by 72.6% to US\$ 3.3 Bn.

Consolidated EBITDA at Rs 8,262 crore grew by 6.4% Y-o-Y with EBITDA margin expanding by 1.1% to 34.9%, driven by India's margin expansion by 2.1% Y-o-Y. The resultant consolidated EBIT of Rs 4,216 crore represents a Y-o-Y growth of 14.2%, with EBIT margin improving by 1.7%. Net interest costs of Rs 1,139 crore have risen from Rs 656 crore in the same quarter last year. Adverse currency movements resulted in forex and derivative losses of Rs 780 crore, significantly higher than Rs 301 crore in the first quarter last year. After accounting for exceptional items (net gains of Rs 458 crore), the Consolidated Net Income increased by 40.2% to Rs 1,554 crore.

The company's consolidated net debt excluding the deferred payment liabilities to the DOT and finance lease obligations is now at \$ 7,640 Mn. During the quarter, tower disposals to the tune of \$ 1,340 million were closed. The Board has approved the establishment of sponsored Level 1 ADR program in the United States, subject to all subsequent regulatory approvals and clarifications from SEBI and RBI. These ADRs can be traded on the US OTC market.



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

"The year has begun on a healthy note, with underlying revenue growth accelerating to 12.7% in India. Our customer base has continued to steadily expand. Mobile minutes and data traffic have grown by 7.4% and 83.4% respectively. I am pleased that our revenue growth is broad based across all business units, especially the domestic enterprise & corporate segment, which saw revenues grow by 18.1%, and DTH business which had a underlying topline growth of 26.8%. Our capex programme is mostly directed at increasing 3G / 4G coverage and improving all-round customer experience".

In a statement, Mr. Christian de Faria, MD and CEO, Africa, said:

"In the first quarter, Airtel Africa has set the pace for the year, with customer base growing by 13.4% to 78.3 million. Customer churn has been reduced from 7.0% to 5.4%, as a result of customer lifecycle management programmes. Minutes grew by 16.0%, while data volumes have more than doubled. The data customer penetration at 16.6% reflects the untapped potential in the internet space. I am particularly delighted to report that 7.0 million Airtel Money customers are transacting more than \$ 1 billion of money every month. We are also satisfied with continued profitable growth in Nigeria".

<u>Summary of the Consolidated Statement of Income</u> – <u>represents consolidated Statement of Income as per</u> International Financial Reporting Standards (IFRS)

(Amount in Rs crore, except ratios)

Dortiouloro	Quarter	Y-0-Y	
Particulars	Jun 2015	Jun 2014	Growth
Total revenues	23,671	22,962	3.1%
EBITDA	8,262	7,767	6.4%
EBITDA/ Total revenues	34.9%	33.8%	
EBIT	4,216	3,691	14.2%
EBIT/ Total revenues	17.8%	16.1%	
Profit before tax	2,501	2,885	-13.3%
Net Income	1,554	1,108	40.2%
Operating free cash flow	4,270	3,781	12.9%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Jun 2015	Mar 2015	Q-o-Q	Jun 2014	Y-o-Y
				Growth		Growth
Mobile Services	000's	318,004	310,884	2.3%	287,147	10.7%
India	000's	230,662	226,017	2.1%	209,411	10.1%
South Asia	000's	9,019	8,603	4.8%	8,650	4.3%
Africa	000's	78,323	76,263	2.7%	69,086	13.4%
Telemedia Services	000's	3,444	3,411	1.0%	3,350	2.8%
Digital TV Services	000's	10,412	10,073	3.4%	9,388	10.9%
Total	000's	331,860	324,368	2.3%	299,885	10.7%

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 20 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 331 million customers across its operations at the end of June 2015. To know more please visit, www.airtel.com

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