



November 09, 2018

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Dalal Street
Mumbai – 400001

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051

Sub: Clarification on the Media Report

Ref. Your email dt. November 09, 2018 w.r.t. clarification to the media report appearing on www.business-standard.com titled "Bharti Airtel dips 5% as Moody's places co's rating on review for downgrade"

Dear Sir / Madam,

This has reference to your above mentioned e-mail. We wish to state that Moody's Investors Service has assigned Baa3 issuer ratings and senior unsecured ratings to Bharti Airtel Limited ('Airtel') and Baa3 rating to senior unsecured notes issued by Bharti Airtel International (Netherlands) B.V. ('BAIN'), which were guaranteed by Airtel.

Moody's Investors Service vide its press release published on November 08, 2018 has inter-alia stated that it has "placed on review" for downgrade the Baa3 issuer and senior unsecured rating". The said press release of Moody's Investors Service is enclosed for your ready reference.

The disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is required at the time of revision in the ratings. Since in the present scenario there is no change in ratings, the same does not warrant any disclosure under Regulation 30.

Please take the above information on record.

Thanking you,

Yours faithfully,
For Bharti Airtel Limited


Rohit Krishan Puri
Dy. Company Secretary



Bharti Airtel Limited
(a Bharti Enterprise)

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Rating Action: Moody's reviews Bharti Airtel's Baa3 ratings for downgrade

08 Nov 2018

Hong Kong, November 08, 2018 -- Moody's Investors Service ("Moody's") has placed on review for downgrade the Baa3 issuer and senior unsecured rating of Bharti Airtel Ltd. (Bharti) and the ratings on the backed senior unsecured notes issued by Bharti's wholly owned subsidiary, Bharti Airtel International (Netherlands) B.V.

RATINGS RATIONALE

"The review for downgrade is primarily driven by our expectation that Bharti's cash flow generation will remain weak and leverage elevated," says Annalisa DiChiara, a Moody's Vice President and Senior Credit Officer.

The review also reflects the company's low levels of profitability, particularly from its core Indian mobile operations, negative free cash flow and higher debt levels to fund capital spending.

"Because we believe a more rational competitive environment in India's telecommunications market is unlikely over the next 12-18 months, the review also reflects uncertainty as to whether the company's profitability, cash flow situation and debt levels can improve sustainably and materially over the same period," adds DiChiara, also Moody's lead analyst for Bharti.

At 30 September 2018, Bharti's consolidated adjusted debt/EBITDA was around 4.5x.

While Moody's expects that the majority of the USD1.25 billion raised from the pre-IPO of its African business will be used to reduce debt, leverage will only improve marginally.

Moody's views positively management's plans to engage in further capital-raising activities - including asset sales - which aim to reduce debt levels significantly. However, Bharti is becoming increasingly dependent on a significant turnaround of the underlying Indian operations to ensure a sustainable level of financial health supportive of an investment grade rating.

To that end, the review will focus on 1) the company's commitments and plans to substantially reduce debt levels significantly over a short period of time; and 2) plans to turnaround the underlying Indian mobile operations.

The ratings could be downgraded if the company fails to use proceeds received from its recent pre-IPO of its African business or its proposed capital-raising activities for debt reduction.

Moreover, any further deterioration in its operating performance, particularly in the Indian mobile segment, such that earnings and cash flows or revenue market share contracts from current levels, would also lead to a downgrade.

The principal methodology used in these ratings was Telecommunications Service Providers published in January 2017. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Founded in 1994, Bharti Airtel Ltd. is the third largest telecommunications service provider globally, based on total number of subscribers. At 30 September 2018, it had 445 million customers in 16 countries across South Asia and Africa.

Bharti listed on the Bombay Stock Exchange and National Stock Exchange in 2002.

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