Quarterly report on the results for the quarter ended June 30, 2019

AIRTEL AFRICA PLC

AIRTEL AFRICA

July 26, 2019

The financial statements included in this quarterly report fairly presents in all material respects the financial position, results of operations, cash flow of the company as of, and for the periods presented in this report.

| Mobile Services I Mobile Money |

Supplemental Disclosures

Basis of preparation:- The financial information contained in this report is drawn from Airtel Africa Plc's interim condensed consolidated financial statements prepared under IAS 34 for the three months ended 30 June 2019 and from Airtel Africa Plc's Historical Financial Information prepared under International Financial Reporting Standard (IFRS) as contained in the prospectus for all the comparative periods presented

Use of certain Non-GAAP measures:- This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standard (IFRS), but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

Further, disclosures are also provided under "7.2 Use of Non - GAAP Financial Information" on page 31

Q1 20- The IAS 34 financials considered for the purpose of this report is unaudited.

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

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SECTION 1

AIRTEL AFRICA – PERFORMANCE AT A GLANCE

Particulars	Unit	Financial Year Ended			Quarter Ended				
		IFRS			IFRS				
		2019	2018	2017	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Operating Highlights									
Total Customer Base	000's	98,851	89,262	76,726	99,670	98,851	97,922	94,096	91,193
Total Minutes on Network	Mn Min	207,334	159,549	134,614	55,329	52,866	52,445	52,357	49,666
Data MBs	Mn MBs	392,631	237,563	125,101	139,303	120,674	105,338	88,808	77,811
Airtel Money Transaction Value	US$ Mn	24,723	19,322	14,051	7,208	6,474	6,509	5,926	5,814
Network Towers	Nos	21,059	19,731	18,959	21,385	21,059	20,582	20,060	19,895
Total Employees	Nos	3,075	3,273	3,439	3,100	3,075	3,071	3,073	3,217
No. of countries of operation	Nos	14	14	14	14	14	14	14	14
Population Covered	Mn	369	357	351	375	369	367	364	359
Consolidated Financials (US$ Mn) **Ongoing Operations** **(Reported Currency)**									
Revenue	US$ Mn	3,077	2,910	2,884	796	781	783	769	745
EBITDA	US$ Mn	1,332	1,139	842	348	344	339	332	317
EBIT	US$ Mn	796	600	195	198	199	203	206	188
Cash profit from operations before Derivative and Exchange Fluctuations	US$ Mn	1,001	786	324	267	271	250	242	238
Profit before Tax	US$ Mn	441	158	(308)	117	129	136	62	114
Net Income	US$ Mn	412	(138)	(630)	125	83	123	64	142
Capex	US$ Mn	630	411	395	99	305	170	106	49
Operating Free Cash Flow (EBITDA - Capex)	US$ Mn	702	728	447	248	39	169	226	268
Net Debt	US$ Mn	4,005	7,755	7,596	4,081	4,005	4,189	6,439	7,687
Shareholder's Equity	US$ Mn	2,626	(1,085)	(768)	2,783	2,626	2,346	133	(1,064)
Total Capital Employed	US$ Mn	6,631	6,670	6,828	6,864	6,631	6,534	6,571	6,623
Key Ratios									
EBITDA Margin	%	43.3%	39.1%	29.2%	43.7%	44.0%	43.3%	43.2%	42.6%
EBIT Margin	%	25.9%	20.6%	6.8%	24.8%	25.5%	25.9%	26.8%	25.2%
Net Profit Margin	%	13.4%	-4.7%	-21.8%	15.7%	10.6%	15.7%	8.4%	19.1%
Net Debt to EBITDA (LTM)	Times	3.01	6.81	9.02	3.00	3.01	3.23	5.11	6.31
Net Debt to EBITDA (Annualised)	Times	3.01	6.81	9.02	2.94	2.91	3.09	4.85	6.06
Interest Coverage ratio	Times	3.86	3.46	2.43	4.52	4.90	3.83	3.58	3.39
Return on Shareholder's Equity	%	15.7%			14.2%	15.7%	12.0%		
Return on Capital employed	%	12.0%	8.9%	2.6%	12.2%	12.1%	11.9%	11.2%	10.2%

SECTION 2

FINANCIAL HIGHLIGHTS

The financial results presented in this section are based on interim condensed consolidated financial statements prepared under IAS 34 for the three months ended 30 June 2019 and historical financial information prepared in accordance with IFRS on underlying basis

2.1 Summary of Consolidated Financial Statements

2.1.1 Consolidated Summarized Statement of Operations – (in Reported Currency)

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**796**	**745**	**7%**
EBITDA	348	317	10%
EBITDA / Revenue	*43.7%*	*42.6%*	*11pp*
EBIT	198	188	5%
Finance cost (net)	82	74	11%
Profit before tax	117	114	2%
Income tax expense	48	46	4%
Profit after tax (before exceptional items)	68	68	0%
Non Controlling Interest (before exceptional items)	6	7	-14%
Net Income (before exceptional items)	62	61	2%
Exceptional Items (net of tax)	(64)	(99)	35%
Profit after tax (after exceptional items)	**132**	**167**	**-21%**
Non Controlling Interest	7	25	-72%
Net Income	**125**	**142**	**-12%**
Capex	99	49	103%
Operating Free Cash Flow (EBITDA - Capex)	248	268	-7%
Total Capital Employed	6,864	6,623	4%

2.1.2 Consolidated Summarized Statement of Operations – (in Constant Currency)

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**802**	**728**	**10%**
EBITDA	350	310	13%
EBITDA / Revenue	*43.7%*	*42.7%*	*1.0 pp*
EBIT	199	185	8%
Finance cost (net)	79	78	1%
Profit before tax*	120	106	13%
Income tax expense	48	41	18%
Profit after tax (before exceptional items)	72	65	10%
Non Controlling Interest (before exceptional items)	6	7	-14%
Net Income (before exceptional items)	65	58	13%
Exceptional Items (net of tax)	(64)	(99)	35%
Profit after tax (after exceptional items)	**136**	**164**	**-17%**
Non Controlling Interest	7	25	-72%
Net Income	**129**	**139**	**-7%**
Capex	99	49	103%
Operating Free Cash Flow (EBITDA - Capex)	251	261	-4%
Total Capital Employed	6,864	6,623	4%

**Derivative and Exchange fluctuation impact is excluded to calculate Profit before tax and Profit after tax in Constant Currency.*
Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex and Capital Employed.

2.2 Consolidated - Summary of Statement of Financial Positions (in Reported Currency)

Amount in US$ Mn

Particulars	As at Jun 30, 2019	As at Mar 31, 2019
Assets		
Non-current assets	7,710	7,685
Current assets	1,373	1,427
Total assets	**9,082**	**9,112**
Liabilities		
Non-current liabilities	3,853	3,575
Current liabilities	2,622	3,107
Total liabilities	**6,476**	**6,682**
Equity and Non Controlling Interests		
Equity	2,783	2,626
Non controlling interests	(177)	(195)
Total Equity and Non Controlling Interests	**2,606**	**2,430**
Total Equity and liabilities	**9,082**	**9,112**

SECTION 3

REGION WISE – SUMMARY OF FINANCIAL STATEMENTS

Regional reporting includes all businesses of that geography.

3.1 Summarized Statement of Operations

3.1.1 Nigeria

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**313**	**256**	**22%**
EBITDA	167	117	42%
EBITDA / Revenue	*53.3%*	*45.9%*	*7.4 pp*
EBIT	122	76	61%
Capex	53	14	285%
Operating Free Cash Flow (EBITDA - Capex)	113	104	9%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**313**	**256**	**22%**
EBITDA	167	117	42%
EBITDA / Revenue	*53.3%*	*45.9%*	*7.4 pp*
EBIT	122	76	60%
Capex	53	14	285%
Operating Free Cash Flow (EBITDA - Capex)	113	104	9%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

3.1.2 East Africa (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**277**	**266**	**4%**
EBITDA	111	101	10%
EBITDA / Revenue	*40.0%*	*37.9%*	*2.1 pp*
EBIT	51	41	26%
Capex	30	21	43%
Operating Free Cash Flow (EBITDA - Capex)	81	80	1%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**281**	**256**	**10%**
EBITDA	113	97	16%
EBITDA / Revenue	*40.2%*	*37.9%*	*2.3 pp*
EBIT	53	39	34%
Capex	30	21	43%
Operating Free Cash Flow (EBITDA - Capex)	83	76	9%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

3.1.3 Rest of Africa (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**209**	**227**	**-8%**
EBITDA	64	85	-25%
EBITDA / Revenue	*30.8%*	*37.6%*	*-6.8 pp*
EBIT	18	28	-34%
Capex	14	14	3%
Operating Free Cash Flow (EBITDA - Capex)	50	72	-30%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**211**	**219**	**-4%**
EBITDA	65	83	-22%
EBITDA / Revenue	*30.7%*	*37.8%*	*-7.1 pp*
EBIT	18	27	-31%
Capex	14	14	3%
Operating Free Cash Flow (EBITDA - Capex)	50	69	-27%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

3.2 Region Wise Contribution (in Constant Currency)

Quarter Ended:

Amount in US$ Mn, except ratios

Region	Quarter Ended Jun 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	313	39%	167	48%	53	53%
East Africa	281	35%	113	32%	30	30%
Rest of Africa	211	26%	65	18%	14	14%
Total before Elimnation/Others	**804**	**100%**	**344**	**98%**	**97**	**98%**
Eliminations / Others	(2)	0%	6	2%	2	2%
Total	**802**	**100%**	**350**	**100%**	**99**	**100%**

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

SECTION 4

PRODUCT WISE – SUMMARY OF FINANCIAL STATEMENTS

4.1 Mobile - Summarized Statement of Operations

4.1.1 Consolidated Summarized Statement of Operations

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**750**	**705**	**6%**
EBITDA	309	287	8%
EBITDA / Revenue	*412%*	*40.7%*	*0.5 pp*
EBIT	161	130	24%
Capex	96	48	98%
Operating Free Cash Flow (EBITDA - Capex)	213	239	-11%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**755**	**689**	**10%**
EBITDA	311	281	11%
EBITDA / Revenue	*412%*	*40.8%*	*0.4 pp*
EBIT	162	128	26%
Capex	96	48	98%
Operating Free Cash Flow (EBITDA - Capex)	216	233	-8%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

4.1.2 Nigeria

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**311**	**255**	**22%**
EBITDA	165	116	42%
EBITDA / Revenue	*53.1%*	*45.7%*	*7.4 pp*
EBIT	121	75	61%
Capex	53	14	285%
Operating Free Cash Flow (EBITDA - Capex)	112	103	9%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**311**	**255**	**22%**
EBITDA	165	116	42%
EBITDA / Revenue	*53.1%*	*45.7%*	*7.4 pp*
EBIT	121	75	61%
Capex	53	14	285%
Operating Free Cash Flow (EBITDA - Capex)	112	103	9%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

4.1.3 East Africa (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**244**	**238**	**2%**
EBITDA	91	89	2%
EBITDA / Revenue	*37.3%*	*37.5%*	*-0.2 pp*
EBIT	33	31	8%
Capex	29	21	41%
Operating Free Cash Flow (EBITDA - Capex)	62	69	-10%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**248**	**229**	**8%**
EBITDA	93	86	8%
EBITDA / Revenue	*37.5%*	*37.4%*	*0.1 pp*
EBIT	34	29	16%
Capex	29	21	41%
Operating Free Cash Flow (EBITDA - Capex)	64	65	-2%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

4.1.4 Rest of Africa (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**196**	**215**	**-9%**
EBITDA	53	81	-35%
EBITDA / Revenue	*26.9%*	*37.8%*	*-10.9 pp*
EBIT	7	24	-71%
Capex	13	14	-4%
Operating Free Cash Flow (EBITDA - Capex)	39	68	-42%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**197**	**208**	**-5%**
EBITDA	53	79	-33%
EBITDA / Revenue	*26.8%*	*38.0%*	*-11.1 pp*
EBIT	7	23	-70%
Capex	13	14	-4%
Operating Free Cash Flow (EBITDA - Capex)	40	65	-39%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

4.2 Mobile - Region Wise Contribution (in Constant Currency)

Quarter Ended:

Amount in US$ Mn, except ratios

Region	Quarter Ended Jun 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	311	41%	165	53%	53	56%
East Africa	248	33%	93	30%	29	31%
Rest of Africa	197	26%	53	17%	13	14%
Total before Elimnation/Others	**757**	**100%**	**311**	**100%**	**96**	**100%**
Eliminations / Others	(1)	0%	0	0%	0	0%
Total	**755**	**100%**	**311**	**100%**	**96**	**100%**

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

4.3 Mobile Money - Summarized Statement of Operations

4.3.1 Consolidated Summarized Statement of Operations

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**68**	**50**	**36%**
EBITDA	33	16	100%
EBITDA / Revenue	*48.1%*	*32.9%*	*15.2 pp*
EBIT	31	15	111%
Capex	2	0	259%
Operating Free Cash Flow (EBITDA - Capex)	31	16	95%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Revenue	**69**	**48**	**42%**
EBITDA	33	16	105%
EBITDA / Revenue	*48.1%*	*33.3%*	*14.8 pp*
EBIT	31	14	117%
Capex	2	0	259%
Operating Free Cash Flow (EBITDA - Capex)	31	16	100%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

4.4 Product Wise Contribution (in Constant Currency)

Quarter Ended:

Amount in US$ Mn, except ratios

Products	Quarter Ended Jun 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile	755	94%	311	89%	96	96%
Mobile Money	69	9%	33	9%	2	2%
Total before Elimnation/Others	**824**	**103%**	**344**	**98%**	**97**	**98%**
Eliminations / Others	(22)	-3%	6	2%	2	2%
Total	**802**	**100%**	**350**	**100%**	**99**	**100%**

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

SECTION 5

OPERATING HIGHLIGHTS

The financial figures used for computing ARPU & Revenue per Site are based on IFRS.

5.1 Operational Performance

5.1.1 Consolidated Operational Performance

Parameters	Unit	Jun-19	Mar-19	Q-on-Q Change	Jun-18	Y-on-Y Change
Customer Base	000's	99,670	98,851	0.8%	91,193	9.3%
Net Additions	000's	819	929	-11.8%	1,930	-57.6%
Monthly Churn	%	5.0%	5.4%	-0.4 pp	4.9%	0.2 pp
Average Revenue Per User (ARPU)	US$	2.7	2.6	1.8%	2.7	0.5%
Voice						
Voice Revenue	$ Mn	472	482	-2.1%	458	3.2%
Minutes on the network	Mn	55,329	52,866	4.7%	49,666	11.4%
Voice Average Revenue Per User (ARPU)	US$	1.6	1.6	-2.8%	1.7	-5.8%
Voice Usage per customer	min	186	179	3.9%	183	1.6%
Data						
Data Revenue	$ Mn	209	187	11.5%	153	35.9%
Data Customer Base	000's	30,001	30,024	-0.1%	26,376	13.7%
As % of Customer Base	%	30.1%	30.4%	-0.3 pp	28.9%	1.2 pp
Total MBs on the network	Mn MBs	139,303	120,674	15.4%	77,811	79.0%
Data Average Revenue Per User (ARPU)	US$	2.3	2.1	8.9%	2.0	17.0%
Data Usage per customer	MBs	1,550	1,375	12.8%	1,006	54.1%
Mobile Money						
Transaction Value	$ Mn	7,208	6,474	11.3%	5,814	24.0%
Transaction Value per Sub	US$	163	157	3.9%	161	1.4%
Mobile Money Revenue	$ Mn	69	66	3.2%	48	41.8%
Active Customers	000's	14,600	14,216	2.7%	11,816	23.6%
Mobile Money ARPU	US$	1.6	1.6	-3.7%	1.3	16.0%
Network and Coverage						
Network towers	Nos	21,385	21,059	326	19,895	1,490
Owned Towers	Nos	4,500	4,422	78	4,377	123
Leased Towers	Nos	16,885	16,637	248	15,518	1,367
Of which Mobile Broadband towers	Nos	17,049	16,426	623	14,653	2,396
Total Mobile Broadband Base stations	Nos	35,283	32,501	2,782	23,754	11,529
Revenue Per Site Per Month	US$	12,565	12,487	0.6%	12,218	2.8%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

5.2 Nigeria Operational Performance

Parameters	Unit	Jun-19	Mar-19	Q-on-Q Change	Jun-18	Y-on-Y Change
Customer Base	000's	37,468	37,121	0.9%	32,613	14.9%
Net Additions	000's	347	513	-32.4%	878	-60.5%
Monthly Churn	%	5.3%	5.7%	-0.4 pp	4.8%	0.5 pp
Average Revenue Per User (ARPU)	US$	2.8	2.7	2.9%	2.7	5.4%
Voice						
Voice Revenue	$ Mn	198	201	-1.3%	176	12.7%
Minutes on the network	Mn	15,809	15,878	-0.4%	14,396	9.8%
Voice Average Revenue Per User (ARPU)	US$	1.8	1.8	-2.1%	1.8	-2.7%
Voice Usage per customer	min	141	143	-1.2%	149	-5.2%
Data						
Data Revenue	$ Mn	94	80	17.0%	54	73.1%
Data Customer Base	000's	14,628	14,667	-0.3%	12,087	21.0%
As % of Customer Base	%	39.0%	39.5%	-0.5 pp	37.1%	2.0 pp
Total MBs on the network	Mn MBs	71,108	62,968	12.9%	35,928	97.9%
Data Average Revenue Per User (ARPU)	US$	2.1	1.9	13.9%	1.6	38.0%
Data Usage per customer	MBs	1,626	1,479	10.0%	1,030	57.8%
Network and Coverage						
Network towers	Nos	8,523	8,368	155	7,452	1,071
Owned Towers	Nos	260	260	0	235	25
Leased Towers	Nos	8,263	8,108	155	7,217	1,046
Of which Mobile Broadband towers	Nos	7,115	6,810	305	5,705	1,410
Total Mobile Broadband Base stations	Nos	12,223	11,729	494	6,651	5,572
Revenue Per Site Per Month	US$	12,315	12,260	0.4%	11,475	7.3%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

5.3 East Africa Operational Performance (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

Parameters	Unit	Jun-19	Mar-19	Q-on-Q Change	Jun-18	Y-on-Y Change
Customer Base	000's	43,052	42,858	0.5%	40,043	7.5%
Net Additions	000's	194	323	-40.0%	1,085	-82.1%
Monthly Churn	%	4.8%	5.1%	-0.4 pp	4.4%	0.4 pp
Average Revenue Per User (ARPU)	US$	2.2	2.1	2.6%	2.2	1.3%
Voice						
Voice Revenue	$ Mn	144	143	0.6%	137	5.0%
Minutes on the network	Mn	32,660	30,202	8.1%	28,171	15.9%
Voice Average Revenue Per User (ARPU)	US$	1.1	1.1	0.2%	1.2	-2.9%
Voice Usage per customer	min	254	236	7.6%	237	7.2%
Data						
Data Revenue	$ Mn	71	67	7.0%	63	12.5%
Data Customer Base	000's	11,219	10,920	2.7%	10,411	7.8%
As % of Customer Base	%	26.1%	25.5%	0.6 pp	26.0%	0.1 pp
Total MBs on the network	Mn MBs	55,875	47,291	18.2%	33,801	65.3%
Data Average Revenue Per User (ARPU)	US$	2.1	2.1	3.8%	2.0	4.8%
Data Usage per customer	MBs	1,671	1,459	14.6%	1,086	53.9%
Network and Coverage						
Network towers	Nos	8,572	8,449	123	8,214	358
Owned Towers	Nos	2,468	2,401	67	2,423	45
Leased Towers	Nos	6,104	6,048	56	5,791	313
Of which Mobile Broadband towers	Nos	6,888	6,644	244	6,176	712
Total Mobile Broadband Base stations	Nos	16,903	15,551	1,352	12,562	4,341
Revenue Per Site Per Month	US$	10,967	10,784	1.7%	10,430	5.2%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

5.4 Rest of Africa Operational Performance (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

Parameters	Unit	Jun-19	Mar-19	Q-on-Q Change	Jun-18	Y-on-Y Change
Customer Base	000's	19,150	18,872	1.5%	18,537	3.3%
Net Additions	000's	278	93	200.0%	(33)	955.1%
Monthly Churn	%	5.2%	5.6%	-0.4 pp	6.0%	-0.8 pp
Average Revenue Per User (ARPU)	US$	3.7	3.8	-1.5%	3.9	-5.8%
Voice						
Voice Revenue	$ Mn	133	142	-6.6%	149	-11.0%
Minutes on the network	Mn	6,860	6,786	1.1%	7,099	-3.4%
Voice Average Revenue Per User (ARPU)	US$	2.3	2.5	-7.7%	2.7	-12.7%
Voice Usage per customer	min	121	121	-0.1%	127	-5.2%
Data						
Data Revenue	$ Mn	44	40	8.2%	36	21.2%
Data Customer Base	000's	4,154	4,437	-6.4%	3,878	7.1%
As % of Customer Base	%	21.7%	23.5%	-1.8 pp	20.9%	0.8 pp
Total MBs on the network	Mn MBs	12,320	10,415	18.3%	8,082	52.4%
Data Average Revenue Per User (ARPU)	US$	3.4	3.2	8.9%	3.2	8.4%
Data Usage per customer	MBs	970	815	19.1%	712	36.3%
Network and Coverage						
Network towers	Nos	4,290	4,242	48	4,229	61
Owned Towers	Nos	1,772	1,761	11	1,719	53
Leased Towers	Nos	2,518	2,481	37	2,510	8
Of which Mobile Broadband towers	Nos	3,046	2,972	74	2,772	274
Total Mobile Broadband Base stations	Nos	6,157	5,221	936	4,541	1,616
Revenue Per Site Per Month	US$	16,433	16,569	-0.8%	17,338	-5.2%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

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SECTION 6

MANAGEMENT DISCUSSION AND ANALYSIS

6.1 Reporting Methodology

- The information contained in this report is based on Airtel Africa Plc interim condensed consolidated financial statements prepared under IAS 34 for three months ended 30 June 2019 and historical financial information prepared in accordance with IFRS and exclusion of sold / discontinued operations from all periods presented. Accordingly, previous period numbers have been restated to make them comparable.

- The information, apart from the extract of the Financial Statements in Section 7, is on underlying basis and exceptional items are shown separately. This enables an organic comparison of results with past periods.

6.2 Key company developments

- Airtel Africa Plc on 28th June'19, opened the markets of London Stock Exchange to mark the occasion of pricing of its initial public offering. Further on 9th July 2019, the Company announced secondary listing on the main board of The Nigerian Stock Exchange ("NSE" or "the Exchange").

- The group raised gross proceeds of GBP 595 Mn (NGN 270 billion, or $750 million) from a mix of new institutional and existing Airtel Africa investors.

Nigeria

- Airtel Nigeria won the Business Day "Next Bulls" Award for contribution to economy and job creation. Nigeria's leading Business and Economic Newspaper, "Business Day" in collaboration with the Nigerian Stock Exchange has honored Airtel Nigeria for its contributions to the economy and for creating employment opportunities across the country.

East Africa

- Airtel Kenya: A new bill has been debated in Kenyan parliament, which requires Telcos to form a separate group for any business they engage outside core telecom services. Airtel has already initiated separation of money business from core telecom business.

- Zambia: Finance Ministry has proposed to replace the current VAT system of 16% with a Sales Tax of 9% for domestic supplies. The date of implementation earlier proposed was 1st July'19 which has been delayed to 1st Sep'19, to allow for parliamentary participation in the enactment of the legislation. Consultation with ZRA about specifics is ongoing.

Rest of Africa

- Airtel Niger is now the first operator to launch 4G network in the country. The 4G Launch is expected to be a growth driver for Niger economy, and will accelerate equitable and inclusive economic growth. The launch of Airtel's 4G is seen as an important step in the country's digitization process to provide broadband service everywhere in the country.

- As per new regulation initiated by Central Bank (in Congo B, Chad and Gabon), Mobile Money entities can apply for e-money licenses directly without any need of partnering with banks. Pre-condition for application of licenses is minimum share capital of CFA 2 Bn. Final regulation is expected to come into force in Q2'20.

6.3 Results of Operations

The financial results presented in this section are compiled based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.

Key Highlights – For the Quarter ended June 30, 2019

- Customer base grew by 9.3% to 99.7 Mn
- Reported revenues increased to $ 795.9 Mn, up 6.9%, with constant currency growth of 10.2%. This was the 6th consecutive quarter of double-digit constant currency growth
- Revenue growth of 10.2% in constant currency was driven by double-digit growth in Nigeria and East Africa, partially offset by a decline in revenue in Rest of Africa
- Growth was recorded across business products. Constant currency revenue in Voice increased by 3.2%, data revenue increased by 35.9% and Mobile Money revenue grew by 41.8%
- Reported EBITDA was $ 347.6 Mn, up 9.7%, while constant currency EBITDA growth was 12.8%
- EBITDA margin in reported currency was 43.7%, an increase of 111 bps, while there was an increase of 101 bps in constant currency terms
- EPS before exceptional items was $ 2.0 cents, down 46.8% largely as a result of an increase in the number of shares. Basic EPS was 4.1 cents

Results for the Quarter ended June 30, 2019

6.3.1 Airtel Africa Consolidated

On 28 June 2019 the Company announced the successful pricing of its Initial Public Offering at 80 pence (NGN 363) per Share (the "Offer Price"). The Offer comprised 744,047,619 new Shares (being the total of 704,819,651 new Shares in respect of the global offer to institutional investors in various jurisdictions outside of Nigeria and 39,227,968 new Shares in respect of the offer to qualified institutional investors and high net worth investors in Nigeria (the "Nigerian Offer"), equating to a total Offer size of approximately GBP 595 million (NGN 270 billion, or $750 million) and representing approximately 19 per cent of the Company's issued share capital immediately following UK Admission and Nigerian Admission (including the over-allotment option).

Unconditional trading of the Shares commenced on the London Stock Exchange and Nigerian Stock Exchange on 3 July 2019 and 9 July 2019 respectively.

During the quarter, the group launched 4G services in Niger and now provides 4G services in 12 OPCOs.

The exchange rates have been largely stable except devaluation of Malawian Kwacha and Zambian Kwacha which have seen currency depreciation versus the US dollar. To enable comparison on an underlying basis, all financials and all operating metrics mentioned below are in constant currency rates as of 1 March 2019. PBT as mentioned below excludes any realized/unrealized derivatives and exchange gain or loss for the period.

As on 30 Jun 2019, the group had an aggregate customer base of 99.7 Mn as compared to 91.2 Mn in the corresponding quarter last year, an increase of 9.3%. Customer churn for the quarter has decreased to 5.0% as compared to 5.4% in the previous quarter. Total minutes on network during the quarter registered a growth of 11.4% to 55.3 Bn as compared to 49.7 Bn in the corresponding quarter last year.

Data customers increased by 3.6 Mn to 30.0 Mn as compared to 26.4 Mn in the corresponding quarter last year. More than 30% of all customers are recognized as data users as a result of increased smartphone penetration, up 3.2 % to 30.7%, and the expansion of the 3G and 4G network, with more than 11,000 broadband base stations added, and 4G sites now accounting for half of the total sites. The total MBs on the network grew at 79.0% to 139.3 Bn MBs compared to 77.8 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 1,550 MBs as compared to 1,006 MBs in the corresponding quarter last year, an increase of 54.1%.

Mobile Money revenue in constant currency grew by 41.8% driven by customer growth of 23.6% and transaction value growth of 24.0%. Growth was largely driven by the expansion of the distribution infrastructure, as the business invested in exclusive kiosks and mobile money branches, up 67% and 200% respectively compared to last year. In addition, expansion of the merchant ecosystem and affordable tariffs has contributed to transaction value growth.

The group had 21,385 network towers at end of the quarter as compared to 19,895 in the corresponding quarter last year. 3G has been rolled out in 14 countries and 4G across 12 countries. Out of the total number of towers, 17,049 are mobile broadband towers. The group has total 35,283 mobile broadband base stations as at end of 30 Jun 2019 as compared to 23,754 at the end of the corresponding quarter last year.

Reported revenue increased by 6.9%, as constant currency growth of 10.2% was partially offset by currency devaluation.

Constant currency revenue growth was largely driven by 9% increase in the customer base, to 99.7 Mn, and a broadly stable ARPU at $ 2.7. Double digit revenue growth in Nigeria and East Africa more than offset a revenue decrease in Rest of Africa region. Across products, revenue growth in constant currency was widespread with mobile Voice (+3.2%), Data (+35.9%), and Mobile Money (+41.8%), all delivering growth.

For the quarter, EBITDA in reported currency was $ 347.6 Mn, up 9.7% largely driven by 12.8% constant currency growth, partially offset by currency devaluation. EBITDA margin was at 43.7%, an improvement of 111 bps on reported currency as operating efficiencies in network expense and other overheads, more than offset inflation costs and the one-off impact from the quality of service charge in Gabon.

In constant currency, EBITDA for quarter was at $ 350.2 Mn as compared to $ 310.4 Mn in the corresponding quarter last year. EBITDA margin improved by 101 bps on constant currency and was at 43.7% for the quarter as compared to 42.7% in the corresponding quarter last year. Depreciation and amortization charges were at $ 149 Mn as compared to $ 125 Mn in the corresponding quarter last year. EBIT for the quarter was at $ 199 Mn as compared to $ 185 Mn in the corresponding quarter last year.

For the quarter Operating profit in reported currency increased by 9.7% as revenue growth and broadly stable expenditure more than offset an adverse impact of foreign exchange.

During the quarter, the adverse foreign exchange impact was $ 23 Mn on revenues and $ 9 Mn on EBITDA, largely driven by the devaluation of the Zambian Kwacha, Malawian Kwacha and Central African Franc.

On reported basis, the finance costs increased to $ 7.7 Mn, largely as a result of lapping one-off benefits incurred in the prior year and foreign exchange impact on debt, which more than offset some derivative gains and a 20% decrease in interest costs as a result of lower debt

For the quarter reported tax charge before exceptional items increased by $ 1.7 Mn. Normalizing reversal of indemnity liability, the normalized effective tax rate ('ETR') for the Group for the three months ended June 30, 2019 is 33%. We expect ETR to remain at 33% for the financial year ended March 31, 2020.

Exceptional items mainly consisted of a $ 14 Mn gain on account of recognition of deferred tax assets in Rest of Africa and a $ 72 Mn gain related to the expired indemnity to certain pre-IPO investors as disclosed in the registration document published on 28 May 2019.

On reported basis, Profit After Tax was $ 132.2 Mn, a decrease of 12.2 % compared to the prior year, as growth in operating profit was partially offset by higher finance costs and lower gains on exceptional items.

Basic EPS was $ 4.1 cents, down 62.2%, largely as a result of an increase in the number of shares issued to pre-IPO investors. However, Earnings Per Share before exceptional items was $ 2.0 cents, a decrease of 46.8%, as operating profit growth was more than offset by an increase in number of shares issued to pre-IPO investors and higher finance costs.

Capital expenditure during the quarter was $ 99 Mn, largely on account of investment in data capacities and network modernization. Operating free cash flow during the quarter is at $ 251 Mn, as compared to $ 261 Mn in the corresponding quarter last year.

6.4.2 Net Debt

Net Debt as of 30 June 2019 was $ 4,081 Mn, and it did not include $ 670 Mn of IPO proceeds received on 3rd July 2019. However, the net debt decreased during the quarter as compared to last year, primarily on account of repayment of debts.

6.4.3 Region wise – Africa

6.4.3.1 Nigeria

As on 30 Jun 2019, Nigeria had a customer base of 37.5 Mn as compared to 32.6 Mn in corresponding quarter last year, an increase of 14.9 %.

Voice revenue increased 12.7% mainly driven by double digit increase in customer growth and minutes on network growth, as we continued to leverage our efficient distribution system and leading 4G network to acquire new customers.

Data revenue was up 73.1% and it was the largest contributor to revenue growth. Data growth was driven by a 21% increase in customer base and growth in ARPU as a result of the increased penetration of 4G data customers as the business benefited from the roll out of the 4G network. Data revenue in the quarter ended 30 June 2019 accounts for 30% of the Nigeria revenue, compared to 21% in the prior year.

Total network towers were at 8,523 at the end of the quarter as compared to 7,452 in the corresponding quarter last year. The mobile broadband base stations were at 12,223 as compared to 6,651 in corresponding quarter last year.

For the quarter, reported revenue in Nigeria increased by 22.2%, broadly in line with constant currency growth as a result of a stable foreign exchange environment. Revenue in constant currency was up 22.0%, largely driven by voice and data revenue growth, both up by double digit.

EBITDA margin in constant currency at 53.3%, increased by 7.4 pp as a result of revenue growth and operating efficiencies in the network expenses and other overheads.

In constant currency, the EBIT was at $ 122 Mn as compared to $ 76 Mn in the corresponding quarter last year.

During the quarter, capital expenditure more than doubled, to $ 53.2 Mn, as the business continued to expand and invest in the 4G network, with the number of 4G sites increased fivefold, representing 60% of total sites.

6.4.3.2 East Africa

As on 30 Jun 2019, East Africa region had a customer base of 43.1 Mn as compared to 40.0 Mn in corresponding quarter last year, reflecting a growth of 7.5 %. Customer churn for the quarter was 4.8% as compared to 4.4% in corresponding quarter last year. The increase in churn is largely contributed by customer disconnections related to stringent KYC regulations.

Voice revenue was up 5.0%, largely driven by customer growth and increased usage, while ARPU slowed down due to a drop in interconnect usage rates in Tanzania, Malawi, Uganda, Zambia.

Data revenue increased by 12.5% driven by increased customer base, ARPU and data usage per customer. The growth is led by the expansion of network infrastructure across countries with 4G sites, accounting for nearly half of the sites for the segment. The affordable "more for more" bundle offerings were another key driver of the 4G data usage growth. Data revenue now accounts for a quarter of total revenue in the segment.

Total network towers were at 8,572 at the end of the quarter as compared to 8,214 in the corresponding quarter last year. The mobile broadband base stations were 16,903 as compared to 12,562 in corresponding quarter last year.

Reported revenue in East Africa increased by 4.0%, as constant currency growth of 9.6% was partially compensated by currency devaluation in Zambia and Malawi. Revenue growth of 9.6% in constant currency was driven by widespread growth in all three products: Voice, Data and Mobile Money.

EBITDA for the quarter was at $ 113 Mn as compared to $ 97 Mn in corresponding quarter last year. EBITDA margin in constant currency at 40.2%, increased by 2.3 pp as a result of revenue growth and stable operating expenditure driven by operating efficiencies.

EBIT was at $ 53 Mn as compared to $ 39 Mn in the corresponding quarter last year.

During the quarter, capital expenditure increased by 41.3% to $ 29.8 Mn as a result of the investment in the network, with the number of 4G sites doubling and covering 47% of total sites.

6.4.3.3 Rest of Africa

As on Jun 30, 2019, Rest of Africa had a customer base of 19.2 Mn as compared to 18.5 Mn in corresponding quarter last year reflecting a growth of 3.3 %.

Data delivered strong growth of 21.2% largely driven by increased data usage with 4G launches in Republic of Congo and Niger, network modernization in the Democratic Republic of Congo and expansion in rural areas.

Data growth was more than offset by a decline in voice revenue, as 3.3% customer growth was impacted by a reduction of interconnect usage charges in Niger, overall market weakness in the Republic of Congo, rate correction in Gabon and usage decline in the Democratic Republic of Congo, as a result of rationalization of night bonus minutes.

Total network towers were at 4,290 at the end of the quarter as compared to 4,229 network towers in the corresponding quarter last year. The mobile broadband base stations were at 6,157 as compared to 4,541 in corresponding quarter last year.

Performance in Rest of Africa was in line with recent trends and largely driven by continued macro-economic weakness in Niger and the Republic of Congo. Reported revenue in Rest of Africa declined by 8.0%, as a result of the devaluation of the Central African Franc and constant currency decline of 4.0%.

EBITDA margin in constant currency decreased by 7.1 pp as a result of lower revenue and a one-off quality of services charge in Gabon.

During the quarter capital expenditure was $ 14.2 Mn as the business continued to invest in the 4G network, with the number of 4G sites increasing by more than threefold.

6.4.4 Product wise Africa

6.4.4.1 Mobile services:

During the quarter ended 30 Jun 2019, revenue from Mobile services were at $ 755 Mn reflecting growth of 9.6 % as compared to $ 689 Mn in the corresponding quarter last year largely driven by customer growth of 9.3 %.

Voice Revenue in constant currency grew by 3.2% largely driven by customer growth of 9.3% and usage per customer increase of 1.6%. Customer base growth is largely driven by stable churn and expansion of distribution infrastructure. Voice ARPU decline of 5.8% was largely driven by weakness in Rest of Africa and decrease in interconnect rates across key markets, especially in East Africa which more than offset ARPU growth in Nigeria.

Data Revenue increased 35.9% in constant currency largely driven by double digit customer growth, mainly in Nigeria and East Africa, and 54% increase in usage per customer as a result of LTE network expansion across countries and simplified “more for more” data bundle offerings. Data accounted for 26% of total revenue, up from 21% in the prior quarter. More than 30% of all customers are recognized as data users as a result of increased smartphone penetration, up 3.2 % to 30.7%, and the expansion of the 3G and 4G network, with more than 11,000 broadband base stations added, and 4G sites now accounting for half of the total sites. Data ARPU increased by 17.0% mainly driven by an increase of data usage and positive customer mix, as a result of growth in 4G customer coverage.

EBITDA for the quarter was at $ 311 Mn as compared to $ 281 Mn in corresponding quarter last year. EBITDA margin for the quarter increased to 41.2% as compared to 40.8% in corresponding quarter last year.

During the quarter, total capex incurred was at $ 96 Mn primarily on network expansion and modernization. The operating free cash flow for the quarter was at $ 216 Mn as compared to $ 233 Mn in corresponding quarter last year.

6.4.4.2 Mobile Money

Revenue in constant currency in Mobile Money grew by 41.8% driven by customer growth of 23.6% and transaction value growth of 24.0%. Growth was largely driven by the expansion of the distribution infrastructure, as the business invested in exclusive kiosks and mobile money branches, up 67% and 200% respectively compared to last year. In addition, expansion of the merchant ecosystem and affordable tariffs has contributed to transaction value growth. ARPU in mobile money increased 16% driven by subscriber growth and higher contribution from P2P and merchant payments.

Mobile Money EBITDA for the quarter was at $ 33 Mn as compared to $ 16 Mn in the corresponding quarter last year reflecting a growth of 99.7%. The growth was mainly driven by revenue growth supported by an efficient cost structure. EBITDA margin for the quarter was 48.1% as compared to 33.3% in the corresponding quarter last year.

SECTION 7

DETAILED FINANCIAL AND RELATED INFORMATION

7.1 Summarized extracts from interim condensed consolidated financial statements prepared under IAS 34 for the three months ended 30 June 2019 and historical financial information prepared in accordance with IFRS.

7.1.1 Consolidated Income Statement

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Income			
Revenue	796	745	7%
Other income	4	10	-62%
	800	**755**	**6%**
Expenses			
Network operating expenses	141	132	7%
Access Charges	90	85	6%
License fee / spectrum charges (revenue share)	46	45	1%
Employee benefits expense	50	65	-23%
Sales and marketing expenses	38	34	11%
Other expenses	92	83	11%
Depreciation and amortisation	157	141	11%
	614	**585**	**5%**
Profit from operating activities	**186**	**170**	**9%**
Finance costs	142	87	63%
Finance income	(51)	(13)	281%
Non-operating income / expenses, (net)	(72)	-	0%
Share of results of joint ventures and associates	(0)	(0)	
Profit before tax	**167**	**96**	**74%**
Tax expense			
Current tax	32	27	16%
Deferred tax	3	(98)	-103%
Profit for the period	**132**	**167**	**-21%**

7.1.2 Consolidated Statement of Comprehensive Income

Amount in US$ Mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y Change
Profit for the period	**132**	**167**	**-21%**
Other comprehensive income ('OCI'):			
Items to be reclassified subsequently to profit or loss :			
Net gains / (loss) due to foreign currency translation differences	(31)	(109)	72%
Net Gains / (losses) on net investments hedge	0	27	-100%
Net Gains / (Losses) on cash flow hedge	(2)	(8)	79%
Other comprehensive income / (loss) for the period	**(32)**	**(90)**	**64%**
Total comprehensive income / (loss) for the period	**100**	**78**	**29%**
Profit for the period Attributable to:	**132**	**167**	**-21%**
Owners of the Parent	125	143	-12%
Non-controlling interests	7	25	-72%
Other comprehensive income / (loss) for the period attributable to :	**(32)**	**(90)**	**64%**
Owners of the Parent	(33)	(90)	64%
Non-controlling interests	(0)	1	-110%
Total comprehensive income / (loss) for the period attributable to :	**99**	**78**	**27%**
Owners of the Parent	92	52	77%
Non-controlling interests	7	26	-74%
Earnings per share (Face value : 2019: $ 0.5 each, 2018: € 1 each) (In USD)			
Basic and diluted	0.04	0.12	

7.1.3 Consolidated Summarized Financial Position

Amount in US$ Mn

Particulars	As at Jun 30, 2019	As at Mar 31, 2019	As at Jun 30, 2018
Assets			
Non-current assets			
Property, plant and equipment (including CWIP and Right of use assets)	2,592	2,617	2,414
Intangible assets	4,534	4,545	4,606
Investment	4	3	3
Financial Assets			
Other financial assets	98	54	44
Deferred tax assets (net)	380	377	311
Other non-current assets	102	89	84
	7,710	**7,685**	**7,462**
Current assets			
Financial Assets			
- Trade receivables	123	121	121
- Cash and cash equivalents	789	848	547
- Other Bank balance	260	259	215
- Others	74	78	217
Other current assets	126	121	105
	1,373	**1,427**	**1206**
Total Assets	**9,082**	**9,112**	**8,668**
Equity and liabilities			
Equity attributable to owners of the Parent	2,783	2,626	(1,064)
Non-controlling interests ('NCI')	(177)	(195)	(207)
	2,606	**2,430**	**(1,271)**
Non-current liabilities			
Financial Liabilities			
- Borrowings	3,766	3,474	4,838
- Others	4	14	136
Deferred tax liabilities (net)	27	33	32
Other non-current liabilities	57	54	84
	3,853	**3,575**	**5,090**
Current liabilities			
Financial Liabilities			
- Borrowings	1,118	1,364	3,323
- Trade Payables	709	714	696
- Others	445	700	434
Current tax liabilities (net)	53	67	64
Other current liabilities	297	262	333
	2,622	**3,107**	**4,850**
Total Liabilities	**6,476**	**6,682**	**9,939**
Total Equity and liabilities	**9,082**	**9,112**	**8,668**

7.1.4 Consolidated Summarized Statement of Cash Flows

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Cash flows from operating activities		
Profit before tax	**167**	**97**
Adjustments for -		
Depreciation and amortisation	157	141
Finance income	(51)	(13)
Finance cost	142	87
Share of results of joint venture and associate	(0)	0
Other non-cash items	(67)	6
Operating cash flow before changes in working capital	**348**	**318**
Changes in working capital -		
Trade receivables	(5)	(14)
Trade payables	(11)	(31)
Other assets and liabilities	8	7
Net cash generated from operations before tax	**339**	**280**
Income tax paid	(58)	(47)
Net cash generated from operating activities (a)	**281**	**233**
Cash flows from investing activities		
Purchase of property, plant and equipment	(176)	(169)
Purchase of intangible assets	(35)	(22)
Proceed on sale of Assets - Tower co sale proceed	0	2
Interest received	4	2
Net cash (used in) / generated from investing activities (b)	**(206)**	**(187)**
Cash flows from financing activities		
Proceeds from borrowings	43	124
Repayment of borrowings	(95)	(68)
Proceeds from sale and lease back of towers	0	1
Repayment of lease obligation	(43)	(41)
Dividend paid to non - controlling interests	0	(1)
Interest and other finance charges paid	(107)	(100)
proceeds/(repayment) from borrowings from related parties	0	363
Net cash (used in) / generated from financing activities (c)	**(203)**	**278**
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	**(128)**	**323**
Effect of exchange rate on cash and cash equivalents	(1)	4
Cash and cash equivalents as at beginning of the period	633	56
Cash and cash equivalents as at end of the period	**504**	**383**

7.2 Use of Non-GAAP Financial Information

In presenting and discussing the Group's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures, if any.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit from operating activities	Page 31
Cash Profit from Operations before Derivative and Exchange (Gain)/Loss	Profit from operating activities	Page 31
Capex	Refer glossary	NA
Operating free cash flow	Refer glossary	NA
Net Debt	Refer glossary	NA
Capital Employed	Refer glossary	NA

7.2.1 Reconciliation of Non-GAAP financial information based on IFRS

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Profit / (loss) from operating activities		
Profit / (Loss) from Operating Activities	186	170
Add : Exceptional items	12	18
EBIT	**198**	**188**
Add: CSR Costs	2	1
Add: Depreciation and Amortisation	157	141
Less : Exceptional items	9	13
EBITDA	**348**	**317**
Profit / (loss) from operating activities to Cash Profit from Operations before Derivative and Exchange Fluctuation		
Profit / (Loss) from Operating Activities	186	170
Less: Finance cost (net) (Refer below)	82	74
Add: Depreciation and Amortisation	157	141
Add: Derivatives and exchange (gain)/loss	3	(4)
Add : Exceptional items	3	5
Cash Profit from Operations before Derivative and Exchange Fluctuation	**267**	**238**
Reconciliation of Finance Cost		
Finance Cost	142	87
Less: Finance Income	(51)	(13)
Less : Exceptional items	9	0
Finance Cost (net)	**82**	**74**

SECTION 8

NET DEBT AND COST SCHEDULES

8.1 Consolidated Schedule of Net Debt

Amount in US$ Mn

Particulars	As at Jun 30, 2019	As at Jun 30, 2018
Long term borrow ing, net of current portion	2,736	3,783
Short-term borrow ings and current portion of long-term borrow ing	937	3,246
Less:		
Cash and Cash Equivalents	789	547
Net Debt excluding Lease Obligations	**2,883**	**6,482**
Lease Obligations	1,198	1,205
Net Debt including Lease Obligations	**4,081**	**7,687**

8.2 Consolidated Schedule of Net Finance Cost (in Reported Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Interest on borrow ings and Finance charges	52	50
Interest on Lease Obligation	32	32
Investment (income)/ loss	(5)	(4)
Finance cost excluding Derivatives and Forex	**79**	**78**
Add : Derivatives and exchange (gain)/ loss	3	(4)
Finance cost (net of Derivatives and Forex)	**82**	**74**

8.3 Consolidated Schedule of Operating Expenses (in Constant Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Access charges	90	84
Cost of goods sold	31	26
License fee / spectrum charges (revenue share)	46	44
Netw ork operations costs	136	128
Employee benefits expense	54	65
Selling, general and adminstration expense	100	83
Operating Expenses	**458**	**429**

Closing currency rates as on March 1, 2019 considered for Constant currency.

8.4 Consolidated Schedule of Depreciation and Amortization (in Constant Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Depreciation	128	108
Amortization	20	17
Depreciation and Amortization	**149**	**125**

Closing currency rates as on March 1, 2019 considered for Constant currency.

8.5 Consolidated Schedule of Income Tax (in Constant Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Current tax expense	32	22
Deferred tax expense / (income)	17	19
Income tax expense	**48**	**41**

Closing currency rates as on March 1, 2019 considered for Constant currency.

8.6 Consolidated Schedule of Operating Expenses (in Reported Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Access charges	90	85
Cost of goods sold	30	27
License fee / spectrum charges (revenue share)	46	45
Network operations costs	135	132
Employee benefits expense	54	66
Selling, general and adminstration expense	99	85
Operating Expenses	**454**	**439**

8.7 Consolidated Schedule of Depreciation and Amortization (in Reported Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Depreciation	128	110
Amortization	20	18
Depreciation and Amortization	**148**	**128**

8.8 Consolidated Schedule of Income Tax (in Reported Currency)

Amount in US$ Mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Current tax expense	32	27
Deferred tax expense / (income)	16	19
Income tax expense	**48**	**46**

SECTION 9

TRENDS AND RATIO ANALYSIS

9.1 Based on Statement of Operations

9.1.1 Airtel Africa Consolidated: (in Reported Currency)

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**796**	**781**	**783**	**769**	**745**
Access charges	90	88	87	85	85
Cost of goods sold	30	29	30	26	27
Net revenues	**676**	**664**	**666**	**657**	**633**
Operating Expenses (Excl Access Charges, cost of goods sold and License Fee)	286	280	286	284	281
Licence Fee	46	45	46	47	45
EBITDA	**348**	**344**	**339**	**332**	**317**
Cash Profit from operations before Derivative and Exchange Flucations	267	271	250	242	238
EBIT	198	199	203	206	188
Share of results of associate	0	1	(1)	0	0
Profit before Tax	117	129	136	62	114
Profit after Tax (before exceptional items)	69	96	123	44	68
Non Controlling Interest (before exceptional items)	6	6	8	8	7
Net Income (before exceptional items)	63	89	115	36	61
Exceptional items (net)	(64)	7	(9)	(18)	(99)
Profit after Tax (after exceptional items)	**133**	**89**	**133**	**62**	**167**
Non Controlling Interest	7	6	9	(2)	25
Net Income	**126**	**83**	**123**	**64**	**142**
Capex	99	305	170	106	49
Operating Free Cash Flow (EBITDA - Capex)	248	39	169	226	268
Total Capital Employed	6,864	6,631	6,534	6,571	6,623

	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
As a % of Revenue					
Access charges	11.3%	11.2%	11.1%	11.1%	11.4%
Cost of goods sold	3.8%	3.7%	3.8%	3.4%	3.6%
Net revenues	**84.9%**	**85.0%**	**85.1%**	**85.5%**	**85.0%**
Operating Expenses (excluding access charges, cost of goods sold and license fee)	36.0%	35.9%	36.6%	37.0%	37.8%
Licence Fee	5.7%	5.7%	5.9%	6.1%	6.1%
EBITDA	**43.7%**	**44.0%**	**43.3%**	**43.2%**	**42.6%**
Cash Profit from operations before Derivative and Exchange Flucations	33.5%	34.8%	31.9%	31.5%	31.9%
EBIT	24.8%	25.5%	25.9%	26.8%	25.2%
Share of results of associate	0.0%	0.1%	-0.1%	0.0%	0.0%
Profit before Tax	14.7%	16.5%	17.4%	8.1%	15.3%
Profit after Tax (before exceptional items)	**8.7%**	**12.2%**	**15.8%**	**5.7%**	**9.1%**
Non Controlling Interest (before exceptional items)	0.8%	0.8%	1.0%	1.0%	1.0%
Net Income (before exceptional items)	7.9%	11.5%	14.7%	4.7%	8.1%
Exceptional items (net)	-8.0%	0.9%	-1.2%	-2.4%	-13.2%
Profit after Tax (after exceptional items)	**16.7%**	**11.3%**	**16.9%**	**8.1%**	**22.4%**
Non Controlling Interest	0.9%	0.8%	1.2%	-0.3%	3.3%
Net Income	15.9%	10.6%	15.7%	8.4%	19.1%

9.1.2 Airtel Africa Consolidated: (in Constant Currency)

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**802**	**782**	**785**	**758**	**728**
Access charges	90	88	87	85	84
Cost of goods sold	31	29	30	26	26
Net revenues	**681**	**665**	**668**	**648**	**618**
Operating Expenses (Excl Access Charges, cost of goods sold and License Fee)	288	280	287	280	275
Licence Fee	46	45	46	46	44
EBITDA	**350**	**344**	**340**	**328**	**310**
Cash Profit from operations before Derivative and Exchange Flucations	269	272	251	238	231
EBIT	199	200	204	203	185
Share of results of associate	0	1	(1)	0	0
Profit before Tax (before exceptional items)*	120	129	114	115	106
Profit after Tax (before exceptional items)	72	96	101	97	65
Non Controlling Interest (before exceptional items)	6	6	8	8	7
Net Income (before exceptional items)	65	90	93	90	58
Exceptional items (net)	(64)	7	(10)	(18)	(99)
Profit after Tax (after exceptional items)	**136**	**89**	**111**	**116**	**164**
Non Controlling Interest	7	6	9	(2)	25
Net Income	**129**	**83**	**101**	**118**	**139**
Capex	99	305	170	106	49
Operating Free Cash Flow (EBITDA - Capex)	251	39	170	222	261
Total Capital Employed	6,864	6,631	6,534	6,571	6,623

	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
As a % of Revenue					
Access charges	11.3%	11.3%	11.1%	11.1%	11.5%
Cost of goods sold	3.8%	3.7%	3.8%	3.4%	3.6%
Net revenues	**84.9%**	**85.0%**	**85.1%**	**85.5%**	**84.9%**
Operating Expenses (excluding access charges, cost of goods sold and license fee)	36.0%	35.9%	36.6%	36.9%	37.7%
Licence Fee	5.8%	5.7%	5.9%	6.1%	6.0%
EBITDA	**43.7%**	**44.0%**	**43.4%**	**43.2%**	**42.7%**
Cash Profit from operations before Derivative and Exchange Flucations	33.5%	34.8%	32.0%	31.4%	31.8%
EBIT	24.8%	25.5%	26.0%	26.8%	25.4%
Share of results of associate	0.0%	0.1%	-0.1%	0.0%	0.0%
Profit before Tax	15.0%	16.6%	14.6%	15.1%	14.6%
Profit after Tax (before exceptional items)	**8.9%**	**12.3%**	**12.8%**	**12.8%**	**9.0%**
Non Controlling Interest (before exceptional items)	0.8%	0.8%	1.0%	1.0%	1.0%
Net Income (before exceptional items)	8.2%	11.5%	11.8%	11.8%	7.9%
Exceptional items (net)	-8.0%	0.9%	-1.2%	-2.4%	-13.6%
Profit after Tax (after exceptional items)	**16.9%**	**11.4%**	**14.1%**	**15.2%**	**22.5%**
Non Controlling Interest	0.9%	0.8%	1.2%	-0.3%	3.4%
Net Income	16.1%	10.6%	12.9%	15.5%	19.1%

**Derivative and Exchange fluctuation impact is excluded to calculate Profit before tax and Profit after tax in Constant Currency.*

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex and Capital Employed.

9.2 Based on Region Wise Statement of Operations

9.2.1 Nigeria

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**313**	**301**	**285**	**263**	**256**
EBITDA	167	161	143	129	117
EBITDA / Revenue	*53.3%*	*53.4%*	*50.1%*	*49.0%*	*45.9%*
EBIT	122	119	106	92	76
Capex	53	67	68	30	14
Operating Free Cash Flow (EBITDA - Capex)	113	93	74	99	104

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**313**	**301**	**288**	**264**	**256**
EBITDA	167	161	144	129	117
EBITDA / Revenue	*53.3%*	*53.4%*	*50.0%*	*49.0%*	*45.9%*
EBIT	122	119	107	92	76
Capex	53	67	68	30	14
Operating Free Cash Flow (EBITDA - Capex)	113	94	76	100	104

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.2.2 East Africa (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**277**	**273**	**283**	**281**	**266**
EBITDA	111	114	117	111	101
EBITDA / Revenue	*40.0%*	*417%*	*414%*	*39.5%*	*37.9%*
EBIT	51	58	59	59	41
Capex	30	119	65	52	21
Operating Free Cash Flow (EBITDA - Capex)	81	(5)	52	58	80

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**281**	**272**	**282**	**272**	**256**
EBITDA	113	113	117	107	97
EBITDA / Revenue	*40.2%*	*416%*	*414%*	*39.4%*	*37.9%*
EBIT	53	57	59	58	39
Capex	30	119	65	52	21
Operating Free Cash Flow (EBITDA - Capex)	83	(5)	52	55	76

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.2.3 Rest of Africa (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**209**	**211**	**221**	**229**	**227**
EBITDA	64	79	85	90	85
EBITDA / Revenue	*30.8%*	*37.4%*	*38.3%*	*39.6%*	*37.6%*
EBIT	18	33	45	53	28
Capex	14	118	36	22	14
Operating Free Cash Flow (EBITDA - Capex)	50	(39)	49	68	72

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**211**	**211**	**221**	**225**	**219**
EBITDA	65	79	85	89	83
EBITDA / Revenue	*30.7%*	*37.4%*	*38.3%*	*39.7%*	*37.8%*
EBIT	18	33	45	52	27
Capex	14	118	36	22	14
Operating Free Cash Flow (EBITDA - Capex)	50	(39)	49	67	69

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.3 Based on Product Wise Statement of Operations

9.3.1 Mobile - Summarized Statement of Operations

9.3.1.1 Consolidated Mobile:

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**750**	**739**	**743**	**730**	**705**
EBITDA	309	321	316	310	287
EBITDA / Revenue	*412%*	*43.4%*	*42.5%*	*42.4%*	*40.7%*
EBIT	161	179	184	185	130
Capex	96	297	167	102	48
Operating Free Cash Flow (EBITDA - Capex)	213	24	149	208	239

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**755**	**740**	**746**	**721**	**689**
EBITDA	311	321	317	306	281
EBITDA / Revenue	*412%*	*43.4%*	*42.6%*	*42.5%*	*40.8%*
EBIT	162	179	185	183	128
Capex	96	297	167	102	48
Operating Free Cash Flow (EBITDA - Capex)	216	24	150	204	233

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.3.1.2 Nigeria Mobile

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**311**	**299**	**284**	**262**	**255**
EBITDA	165	159	141	128	116
EBITDA / Revenue	*53.1%*	*53.3%*	*49.7%*	*48.8%*	*45.7%*
EBIT	121	118	105	90	75
Capex	53	67	68	30	14
Operating Free Cash Flow (EBITDA - Capex)	112	92	73	98	103

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**311**	**300**	**286**	**263**	**255**
EBITDA	165	160	142	128	116
EBITDA / Revenue	*53.1%*	*53.3%*	*49.7%*	*48.8%*	*45.7%*
EBIT	121	118	106	91	75
Capex	53	67	68	30	14
Operating Free Cash Flow (EBITDA - Capex)	112	92	74	98	103

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.3.1.3 East Africa Mobile (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**244**	**243**	**254**	**255**	**238**
EBITDA	91	92	101	99	89
EBITDA / Revenue	*37.3%*	*37.8%*	*40.0%*	*38.8%*	*37.5%*
EBIT	33	37	45	48	31
Capex	29	112	63	50	21
Operating Free Cash Flow (EBITDA - Capex)	62	(20)	39	49	69

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**248**	**243**	**254**	**247**	**229**
EBITDA	93	92	101	96	86
EBITDA / Revenue	*37.5%*	*37.8%*	*40.0%*	*38.7%*	*37.4%*
EBIT	34	37	45	46	29
Capex	29	112	63	50	21
Operating Free Cash Flow (EBITDA - Capex)	64	(20)	39	46	65

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.3.1.4 Rest of Africa Mobile (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**196**	**199**	**208**	**216**	**215**
EBITDA	53	69	74	83	81
EBITDA / Revenue	*26.9%*	*35.0%*	*35.4%*	*38.5%*	*37.8%*
EBIT	7	24	35	46	24
Capex	13	117	36	22	14
Operating Free Cash Flow (EBITDA - Capex)	39	(48)	38	61	68

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**197**	**199**	**208**	**212**	**208**
EBITDA	53	70	74	82	79
EBITDA / Revenue	*26.8%*	*34.9%*	*35.4%*	*38.6%*	*38.0%*
EBIT	7	24	35	45	23
Capex	13	117	36	22	14
Operating Free Cash Flow (EBITDA - Capex)	40	(48)	37	60	65

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.3.2 Mobile Money - Summarized Statement of Operations

9.3.2.1 Mobile Money:

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**68**	**67**	**64**	**53**	**50**
EBITDA	33	32	29	20	16
EBITDA / Revenue	*48.1%*	*48.4%*	*44.4%*	*38.3%*	*32.9%*
EBIT	31	31	26	19	15
Capex	2	8	2	3	0
Operating Free Cash Flow (EBITDA - Capex)	31	24	26	17	16

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Revenue	**69**	**66**	**64**	**53**	**48**
EBITDA	33	32	29	20	16
EBITDA / Revenue	*48.1%*	*48.5%*	*44.4%*	*38.7%*	*33.3%*
EBIT	31	31	26	19	14
Capex	2	8	2	3	0
Operating Free Cash Flow (EBITDA - Capex)	31	24	26	17	16

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

9.4 Operational Performance Trends

9.4.1 Airtel Africa Consolidated - Operational Performance

Parameters	Unit	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Customer Base	000's	99,670	98,851	97,922	94,096	91,193
Net Additions	000's	819	929	3,827	2,903	1,930
Monthly Churn	%	5.0%	5.4%	4.7%	4.8%	4.9%
Average Revenue Per User (ARPU)	US$	2.7	2.6	2.7	2.7	2.7
Voice						
Voice Revenue	$ Mn	472	482	484	475	458
Minutes on the network	Mn	55,329	52,866	52,445	52,357	49,666
Voice Average Revenue Per User (ARPU)	US$	1.6	1.6	1.7	1.7	1.7
Voice Usage per customer	min	186	179	183	189	183
Data						
Data Revenue	$ Mn	209	187	175	164	153
Data Customer Base	000's	30,001	30,024	29,264	27,113	26,376
As % of Customer Base	%	30.1%	30.4%	29.9%	28.8%	28.9%
Total MBs on the network	Mn MBs	139,303	120,674	105,338	88,808	77,811
Data Average Revenue Per User (ARPU)	US$	2.3	2.1	2.1	2.1	2.0
Data Usage per customer	MBs	1,550	1,375	1,248	1,113	1,006
Mobile Money						
Transaction Value	US$ Mn	7,208	6,474	6,509	5,926	5,814
Transaction Value per Subs	US$	163	157	156	155	161
Mobile Money Revenue	$ Mn	69	66	64	53	48
Active Customers	000's	14,600	14,216	13,805	12,943	11,816
Mobile Money ARPU	US$	1.6	1.6	1.5	1.4	1.3
Network and Coverage						
Network towers	Nos	21,385	21,059	20,582	20,060	19,895
Owned towers	Nos	4,500	4,422	4,441	4,449	4,377
Leased towers	Nos	16,885	16,637	16,141	15,611	15,518
Of which Mobile Broadband towers	Nos	17,049	16,426	15,734	15,280	14,653
Total Mobile Broadband Base stations	Nos	35,283	32,501	29,650	26,338	23,754
Revenue Per site Per Month	US$	12,565	12,487	12,837	12,626	12,218

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

9.4.2 Nigeria - Operational Performance

Parameters	Unit	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Customer Base	000's	37,468	37,121	36,608	34,181	32,613
Net Additions	000's	347	513	2,427	1,568	878
Monthly Churn	%	5.3%	5.7%	4.2%	4.4%	4.8%
Average Revenue Per User (ARPU)	US$	2.8	2.7	2.7	2.7	2.7
Voice						
Voice Revenue	$ Mn	198	201	190	177	176
Minutes on the network	Mn	15,809	15,878	15,368	14,592	14,396
Voice Average Revenue Per User (ARPU)	US$	1.8	1.8	1.8	1.8	1.8
Voice Usage per customer	min	141	143	145	146	149
Data						
Data Revenue	$ Mn	94	80	67	59	54
Data Customer Base	000's	14,628	14,667	13,580	12,810	12,087
As % of Customer Base	%	39.0%	39.5%	37.1%	37.5%	37.1%
Total MBs on the network	Mn MBs	71,108	62,968	54,005	43,067	35,928
Data Average Revenue Per User (ARPU)	US$	2.1	1.9	1.7	1.6	1.6
Data Usage per customer	MBs	1,626	1,479	1,358	1,153	1,030
Network and Coverage						
Network towers	Nos	8,523	8,368	7,997	7,618	7,452
Owned towers	Nos	260	260	259	258	235
Leased towers	Nos	8,263	8,108	7,738	7,360	7,217
Of which Mobile Broadband towers	Nos	7,115	6,810	6,311	5,997	5,705
Total Mobile Broadband Base stations	Nos	12,223	11,729	10,369	8,311	6,651
Revenue Per site Per Month	US$	12,315	12,260	12,279	11,693	11,475

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

9.4.3 East Africa - Operational Performance (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

Parameters	Unit	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Customer Base	000's	43,052	42,858	42,535	41,265	40,043
Net Additions	000's	194	323	1,270	1,222	1,085
Monthly Churn	%	4.8%	5.1%	4.7%	5.0%	4.4%
Average Revenue Per User (ARPU)	US$	2.2	2.1	2.3	2.2	2.2
Voice						
Voice Revenue	$ Mn	144	143	154	151	137
Minutes on the network	Mn	32,660	30,202	30,048	30,428	28,171
Voice Average Revenue Per User (ARPU)	US$	1.1	1.1	1.2	1.2	1.2
Voice Usage per customer	min	254	236	241	249	237
Data						
Data Revenue	$ Mn	71	67	67	65	63
Data Customer Base	000's	11,219	10,920	10,807	10,252	10,411
As % of Customer Base	*%*	26.1%	25.5%	25.4%	24.8%	26.0%
Total MBs on the network	Mn MBs	55,875	47,291	41,353	36,620	33,801
Data Average Revenue Per User (ARPU)	US$	2.1	2.1	2.1	2.1	2.0
Data Usage per customer	MBs	1,671	1,459	1,310	1,203	1,086
Network and Coverage						
Network towers	Nos	8,572	8,449	8,346	8,204	8,214
Owned towers	Nos	2,468	2,401	2,425	2,447	2,423
Leased towers	Nos	6,104	6,048	5,921	5,757	5,791
Of which Mobile Broadband towers	Nos	6,888	6,644	6,487	6,358	6,176
Total Mobile Broadband Base stations	Nos	16,903	15,551	14,234	13,367	12,562
Revenue Per site Per Month	US$	10,967	10,784	11,321	11,030	10,430

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

9.4.4 Rest of Africa- Operational Performance (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

Parameters	Unit	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18
Customer Base	000's	19,150	18,872	18,779	18,650	18,537
Net Additions	000's	278	93	129	113	(33)
Monthly Churn	%	5.2%	5.6%	5.5%	5.4%	6.0%
Average Revenue Per User (ARPU)	US$	3.7	3.8	4.0	4.0	3.9
Voice						
Voice Revenue	$ Mn	133	142	147	151	149
Minutes on the network	Mn	6,860	6,786	7,029	7,337	7,099
Voice Average Revenue Per User (ARPU)	US$	2.3	2.5	2.6	2.7	2.7
Voice Usage per customer	min	121	121	126	132	127
Data						
Data Revenue	$ Mn	44	40	41	39	36
Data Customer Base	000's	4,154	4,437	4,877	4,052	3,878
As % of Customer Base	%	21.7%	23.5%	26.0%	21.7%	20.9%
Total MBs on the network	Mn MBs	12,320	10,415	9,980	9,121	8,082
Data Average Revenue Per User (ARPU)	US$	3.4	3.2	3.2	3.3	3.2
Data Usage per customer	MBs	970	815	766	761	712
Network and Coverage						
Network towers	Nos	4,290	4,242	4,239	4,238	4,229
Owned towers	Nos	1,772	1,761	1,757	1,744	1,719
Leased towers	Nos	2,518	2,481	2,482	2,494	2,510
Of which Mobile Broadband towers	Nos	3,046	2,972	2,936	2,925	2,772
Total Mobile Broadband Base stations	Nos	6,157	5,221	5,047	4,660	4,541
Revenue Per site Per Month	US$	16,433	16,569	17,356	17,689	17,338

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

SECTION 10

KEY ACCOUNTING POLICIES (AS PER IFRS)

- **Property, plant and equipment**

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE is initially recognised at cost.

The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the consolidated statement of financial position and cost of the new item of PPE is recognised.

The expenditures that are incurred after an item of PPE has been put to use, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Asset Categories	Years
Leasehold improvement	Period of lease or 10-20 years, as applicable, whichever is less
Buildings	20
Plant and equipment - Network equipment (including passive infrastructure)	3-20
Other equipment, operating and office equipment computer equipment	3
Furniture & fixture and office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognised from the consolidated statement of financial position and the resulting gains / (losses) are included in the consolidated statement of comprehensive income within other expenses / other income.

PPE in the course of construction is carried at cost, less any accumulated impairment and presented separately as capital work-in-progress (CWIP) in the consolidated statement of financial position until capitalised. Such cost comprises of purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost.

- **Goodwill**

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised; however it is tested for impairment and carried at cost less any accumulated impairment losses. The gains/ (losses) on the disposal of a cash-generating unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to Group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

- **Other Intangible assets**

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

The intangible assets that are acquired in a business combination are recognised at fair value as on acquisition date. Other intangible assets are recognised at cost. These assets having a definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

a. Licenses (including spectrum)
Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty-five years.
In addition, the Group also incurs a fee on licenses/spectrum that is calculated based on the revenue amount of the period. Such revenue-share based fee is recognised as a cost in the consolidated statement of comprehensive income when incurred.

b. Software: Software are amortised over the period of the license, generally not exceeding three years.

c. Other acquired intangible assets: Other acquired intangible assets include the following:

Distribution network: One year to two years
Customer relationships: Over the estimated life of such relationships which ranges from one year to five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets), if any, for which services are yet to be rolled out and are presented separately in the consolidated statement of financial position.

- **Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in associate is accounted for using equity method; from the date on which the Group starts exercising significant influence over the associate.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

- **Leases**

At inception of a contract, the Group assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

a. Group as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the consolidated statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including due to changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the consolidated statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the consolidated statement of financial position.

- **Derivative financial instruments**

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognized at fair value. They are subsequently measured at their fair value, with changes in fair value being recognized in profit or loss within finance income / finance costs.

- **Hedging activities**

i. Fair value hedge

Some of the Group's entities use derivative financial instruments (e.g. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

ii. Cash flow hedge

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to either a recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in profit or loss within finance income / finance costs. The amounts accumulated in equity are re-classified to the profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the profit and loss within finance income / finance costs.

iii. Net investment hedge

The Group hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income as foreign currency translation reserve ('FCTR') – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in profit or loss. The amounts accumulated in equity are included in the profit and loss when the foreign operation is disposed or partially disposed.

- **Revenue**

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties and discounts. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that received from the intermediary. To the extent that the intermediary is considered an agent, the consideration to which the Group is entitled is determined to be the amount received from the customer; the discount provided to the intermediary is recognised as a cost of sale.

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The stand-alone selling prices are determined based on the prices at which the Group sells equipment and network services separately.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a. Service revenue

Service revenue is derived from the provision of telecommunication services and mobile money services to customers. The majority of the customers of the Group subscribe to the services on a pre-paid basis.

Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided.

Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue and associated cost is recognised upon successful onboarding of customer i.e. upfront.

Revenues recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced / collected from a customer are in excess of revenue recognised, a deferred revenue / advance income is recognised.

Service revenues also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services. These are recognised upon transfer of control of services being transferred over time.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of respective arrangements.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on transfer of monies from one customer wallet to another. Such commissions are recognised as revenue on provision of these services by the Group.

b. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e. transferred at a point in time.

- **Alternative performance measures (APM)-Exceptional items**

Management exercises judgment in determining the adjustments to apply to IFRS measurements in order to derive APMs which provide additional useful information on the underlying trends, performance and position of the Group. This assessment covers the nature of the item being one-off or non-routine, whether the cause of occurrence was within the Group's control or not and the scale of impact of that item on reported performance in accordance with the exceptional items policy.

To monitor the financial performance, the Group uses "Underlying Profit / loss before tax", an APM representing profit or loss before tax for the period excluding the impact of exceptional items. Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items.

- **Foreign currency transactions**

a. **Functional and presentation currency**

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in US Dollar which is the functional and presentation currency of the Company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the consolidated statement of comprehensive income within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into US Dollar at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into US Dollar at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

- **Income-taxes**

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective Group entities' income tax obligation for the period are recognised in the consolidated statement of financial position under non-current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries and associate - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the consolidated statement of financial position, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

- **Transactions with non-controlling interests**

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'transactions with NCI reserve', within equity

SECTION 11

GLOSSARY

Technical and Industry Terms

Company Related	
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Basic and Diluted EPS	Basic EPS are computed by dividing the profit for the period attributable to the owners of the parent by the weighted average number of shares outstanding during the period. The Group does not have dilutive potential equity shares and therefore diluted earnings per share are same as the basic earnings per share.
Capex	It is not an IFRS measure and is defined as investment in gross fixed assets (tangible and intangible) and capital work in progress for the period.
Capital Employed	It is not an IFRS measure and is defined as sum of shareholder's equity and net debt.
Cash Profit from Operations before Derivative and Exchange Fluctuation	It is not an IFRS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for finance cost (net of finance income) before adjusting for derivative and exchange (gain)/ loss.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Customer Base	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G / 4G network in the last 30 days.
Data Customer Base	A customer who used at least 1 MB on GPRS / 3G / 4G network in the last 30 days.
Data Usage per Customer	It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period.
EBITDA	It is not an IFRS measure and is defined as profit from operating activities before interest, tax, depreciation, amortization and exceptional items.
EBITDA Margin	It is not an IFRS measure and is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	It is not an IFRS measure and is defined as EBITDA adjusted for depreciation and amortization.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
Lease Obligation	Lease Obligation represents the present value of the lease payments that are not paid on the reporting date.
Mobile Broadband Base stations	It includes all the 3G and 4G Base stations deployed across all technologies/ Spectrum bands.
Mobile Broadband Towers	It means the total number of network towers (defined below) in which unique number of either 3G or 4G Base stations are deployed, irrespective of their technologies. Total numbers of Mobile Broadband Towers are subset of Total Network Towers.

Minutes of Usage	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
Network Towers	Comprises of Base Transmission System (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not an IFRS measure and is defined as the long-term borrowings (net of current portion) plus short-term borrowings plus current portion of long-term borrowings plus lease obligation minus cash and cash equivalents. The debt origination cost and fair value hedge are not included in the borrowings.
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to EBITDA (Annualized)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized).
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges and cost of goods sold for the relevant period.
Net profit margin	It is computed by dividing Cash Profit From Operations before Derivative and Exchange Fluctuation by total revenue.
Operating Free Cash flow	It is computed by subtracting capex from EBITDA.
Profit / (Loss) after current tax expense	It is not an IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
Return On Capital Employed (ROCE)	For the full year ended ROCE is computed by dividing the earnings before interest and tax for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the earnings before interest and tax for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Return On Equity attributable to equity holders of parent	For the full year ended it is computed by dividing net profit for the period by the closing Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the closing Stockholder's equity for the relevant period. The ratio is shown from Q3'19 onwards when equity infusion in AIRTEL AFRICA has happened.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.
Total Employees	Total on-roll employees as at the end of respective period.
Total MBs on Network	Includes total MBs consumed on the network (uploaded and downloaded) on our network during the relevant period.
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to be revenue generating Towers.
Voice Minutes on Network	Includes usage on our network (incoming, outgoing and in-roaming minutes) during the relevant period.
Voice Usage per Customer	It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.

Regulatory and Others

3G	Third - Generation Technology
4G	Fourth - Generation Technology
LTM	Last twelve months
GAAP	Generally Accepted Accounting Principles
Group	The Airtel Africa plc, together with its subsidiary undertakings referred to as the ‘Group’
KYC	Know Your Customer
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
PPE	Property, Plant and equipment
Mn	Million

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