Report on the results for the second quarter and half year ended September 30, 2019

Airtel Africa plc

AIRTEL AFRICA

October 25, 2019

The financial statements included in this quarterly report fairly presents in all material respects the financial position, results of operations and cash flow of the Group 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 second quarter and half year ended 30 September 2019 and extracted 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 Group'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 33

Safe Harbor: H1 20- The IAS 34 financials considered for the purpose of this report is unaudited.

Convenience translation: - We publish our financial statements in United States Dollars. All references herein to "US dollars", "USD" and "US$" are to United States dollars. Translation of income statement items have been made from local currencies of Africa operating units to USD (unless otherwise indicated) using the respective monthly average rates. Translation of statement of financial position items has been made using the closing rate. All amounts translated as described above are provided solely for the convenience of the reader, and no representation is made that the local currencies or USD amounts referred to herein could have been or could be converted into USD or local currencies respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Others: In this report, the terms "we", "us", "our", " Airtel - Africa", or "Africa", unless otherwise specified or the context otherwise implies, refer to the Airtel Africa plc and its subsidiaries, Bharti Airtel International (Netherlands) B.V., Africa Towers N.V., Airtel (Seychelles) Limited, Airtel Congo S.A, Airtel Gabon S.A., Airtel Madagascar S.A., Airtel Malawi Limited, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Kenya Limited, Airtel Mobile Commerce Limited (Malawi), Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Rwanda Limited, Airtel Mobile Commerce (Seychelles) Limited, Airtel Mobile Commerce Tanzania Limited, Airtel Mobile Commerce Tchad SARL, Airtel Mobile Commerce Uganda Limited, Airtel Mobile Commerce Zambia Limited , Airtel Money RDC S.A., Airtel Money Niger S.A., Airtel Money S.A. (Gabon), Airtel Networks Kenya Limited, Airtel Networks Limited, Airtel Networks Zambia plc, Airtel Rwanda Limited, Airtel Tanzania Public Limited Company (formerly known as Airtel Tanzania Limited), Airtel Tchad S.A., Airtel Uganda Limited, Bharti Airtel Africa B.V., Bharti Airtel Chad Holdings B.V. , Bharti Airtel Congo Holdings B.V., Bharti Airtel Developers Forum Limited, Bharti Airtel Gabon Holdings B.V. , Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V. , Bharti Airtel Malawi Holdings B.V. , Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V. , Bharti Airtel Nigeria B.V. , Bharti Airtel Nigeria Holdings II B.V. , Bharti Airtel RDC Holdings B.V. , Bharti Airtel Services B.V. , Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Celtel (Mauritius) Holdings Limited, Airtel Congo RDC S.A., Celtel Niger S.A., Channel Sea Management Company (Mauritius) Limited, Congo RDC Towers S.A., Gabon Towers S.A. (under dissolution), Indian Ocean Telecom Limited, Madagascar Towers S.A., Malawi Towers Limited, Mobile Commerce Congo S.A., Montana International, Partnership Investments S.A.R.L, Société Malgache de Telephonie Cellulaire SA, Tanzania Towers Limited, Bharti Airtel Rwanda Holdings Limited , Airtel Money Transfer Ltd, Airtel Money Tanzania Limited , Airtel Mobile Commerce Nigeria Limited (incorporate w.e.f. August 31, 2017), Airtel Mobile Commerce Nigeria B.V.(incorporated w.e.f. 5th December, 2018), Airtel Mobile Commerce (Seychelles) B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Congo B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Kenya B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Madagascar B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Malawi B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Rwanda B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Tchad B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Uganda B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Zambia B.V. (incorporated w.e.f. 29th January, 2019), Airtel International LLP (incorporated w.e.f. 27th March, 2019.

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Forward-looking statement

This document contains certain forward-looking statements including "forward-looking" statements made within the meaning of Section 21E of the United States Securities Exchange Act of 1934, regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions.

It is believed that the expectations reflected in this document are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Airtel Africa's financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Airtel Africa.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this document reflect the knowledge and information available to Airtel Africa at the date of preparation of this document and Airtel Africa undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa plc for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa plc.

Financial data included in this document are presented in US$ rounded to the nearest millions. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.

No profit or earnings per share forecasts

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa.

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SECTION 1

PERFORMANCE AT A GLANCE

Particulars	Unit	Financial Year Ended			Quarter Ended				
		IFRS			IFRS				
		2019	2018	2017	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Operating Highlights									
Total Customer Base	000's	98,851	89,262	76,726	103,881	99,670	98,851	97,922	94,096
Total Minutes on Network	Mn Min	207,334	159,549	134,614	60,795	55,329	52,866	52,445	52,357
Data MBs	Mn MBs	392,631	237,563	125,101	162,394	139,303	120,674	105,338	88,808
Mobile Money Transaction Value	US$ Mn	24,723	19,322	14,051	7,978	7,208	6,474	6,509	5,926
Network Towers	Nos	21,059	19,731	18,959	21,936	21,385	21,059	20,582	20,060
Total Employees	Nos	3,075	3,273	3,439	3,184	3,100	3,075	3,071	3,073
No. of countries of operation	Nos	14	14	14	14	14	14	14	14
Population Covered	Mn	369	357	351	381	375	369	367	364
Consolidated Financials (US$ Mn)									
Ongoing Operations									
(Reported Currency)									
Revenue	US$ Mn	3,077	2,910	2,884	844	796	781	783	769
EBITDA	US$ Mn	1,332	1,139	842	372	348	344	339	332
EBIT	US$ Mn	796	600	195	219	198	199	203	206
Cash profit from operations before Derivative and Exchange Fluctuations	US$ Mn	1,001	786	324	293	267	271	250	242
Profit before Tax	US$ Mn	441	158	(308)	153	117	129	136	62
Net Income (after NCI)	US$ Mn	412	(138)	(630)	90	125	83	123	64
Capex	US$ Mn	630	411	395	147	99	305	170	106
Operating Free Cash Flow (EBITDA - Capex)	US$ Mn	702	728	447	225	248	39	169	226
Net Debt	US$ Mn	4,005	7,755	7,596	3,191	4,081	4,005	4,189	6,439
Shareholder's Equity	US$ Mn	2,627	(1,085)	(768)	3,556	2,783	2,627	2,346	133
Total Capital Employed	US$ Mn	6,631	6,670	6,828	6,747	6,864	6,631	6,534	6,571
Key Ratios									
EBITDA Margin	%	43.3%	39.1%	29.2%	44.1%	43.7%	44.0%	43.3%	43.2%
EBIT Margin	%	25.9%	20.6%	6.8%	25.9%	24.8%	25.5%	25.9%	26.8%
Net Profit Margin	%	13.4%	(4.7%)	(21.8%)	10.6%	15.7%	10.6%	15.7%	8.4%
Net Debt to EBITDA (LTM)	Times	3.01	6.81	9.02	2.28	3.00	3.01	3.23	5.11
Net Debt to EBITDA (Annualised)	Times	3.01	6.81	9.02	2.15	2.94	2.91	3.09	4.85
Interest Coverage ratio	Times	3.86	3.46	2.43	4.80	4.52	4.90	3.83	3.58
Return on Shareholder's Equity	%	15.7%			11.8%	14.2%	15.7%	12.0%	
Return on Capital employed	%	12.0%	8.9%	2.6%	12.3%	12.2%	12.1%	11.9%	11.2%

SECTION 2

FINANCIAL HIGHLIGHTS

The financial results presented in this section are extracted from Airtel Africa plc's historical financial information prepared in accordance with IFRS on underlying basis (as contained in the prospectus) for all the comparative periods presented.

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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**844**	**769**	**10%**	**1,640**	**1,513**	**8%**
EBITDA	372	332	12%	719	649	11%
EBITDA / Revenue	*44.1%*	*43.2%*	*0.9 pp*	*43.9%*	*42.9%*	*1.0 pp*
EBIT	219	206	6%	416	393	6%
Finance cost (net)	66	144	(54%)	148	218	(32%)
Profit before tax (before exceptional items)	153	62	146%	270	176	53%
Income tax expense	68	18	274%	115	64	80%
Profit after tax (before exceptional items)	**85**	**44**	**93%**	**154**	**111**	**39%**
Non Controlling Interest (before exceptional items)	6	8	(17%)	13	15	(16%)
Net Income (before exceptional items)	78	36	117%	141	96	48%
Exceptional Items (net of tax)	(11)	(18)	42%	(74)	(117)	36%
Profit after tax (after exceptional items)	**96**	**62**	**53%**	**228**	**228**	**0%**
Non Controlling Interest	6	(2)	362%	13	23	(44%)
Net Income (after NCI)	**90**	**64**	**39%**	**215**	**205**	**5%**
Capex	147	106	39%	246	155	59%
Operating Free Cash Flow (EBITDA - Capex)	225	226	(0%)	473	494	(4%)
Total Capital Employed	6,747	6,571	3%	6,747	6,571	3%

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

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**853**	**758**	**13%**	**1,655**	**1,486**	**11%**
EBITDA	376	328	15%	726	638	14%
EBITDA / Revenue	*44.0%*	*43.2%*	*0.8 pp*	*43.9%*	*43.0%*	*0.9 pp*
EBIT	221	203	9%	420	388	8%
Finance cost (net)	78	88	(11%)	158	166	(5%)
Profit before tax*	143	115	24%	263	221	19%
Income tax expense	69	18	287%	117	59	99%
Profit after tax (before exceptional items)	74	97	(24%)	146	162	(10%)
Non Controlling Interest (before exceptional items)	6	8	(17%)	13	15	(16%)
Net Income (before exceptional items)	68	90	(24%)	133	147	(10%)
Exceptional Items (net of tax)	(11)	(18)	43%	(75)	(117)	36%
Profit after tax (after exceptional items)	**85**	**116**	**(27%)**	**220**	**280**	**(21%)**
Non Controlling Interest	6	(2)	362%	13	23	(44%)
Net Income (after NCI)	**79**	**118**	**(33%)**	**208**	**257**	**(19%)**
Capex	147	106	39%	246	155	59%
Operating Free Cash Flow (EBITDA - Capex)	229	222	3%	480	484	(1%)
Total Capital Employed	6,747	6,571	3%	6,747	6,571	3%

**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 Sep 30, 2019	As at Mar 31, 2019
Assets		
Non-current assets	7,591	7,685
Current assets	2,057	1,427
Total assets	**9,648**	**9,112**
Liabilities		
Non-current liabilities	3,782	3,575
Current liabilities	2,481	3,105
Total liabilities	**6,263**	**6,680**
Equity and Non Controlling Interests		
Equity	3,556	2,627
Non controlling interests	(171)	(195)
Total Equity and Non Controlling Interests	**3,385**	**2,432**
Total Equity and liabilities	**9,648**	**9,112**

SECTION 3

SEGMENT WISE – SUMMARY OF FINANCIAL STATEMENTS

Segmental 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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**327**	**263**	**24%**	**640**	**520**	**23%**
EBITDA	174	129	35%	341	246	38%
EBITDA / Revenue	*53.1%*	*49.0%*	*4.1 pp*	*53.2%*	*47.4%*	*5.7 pp*
EBIT	129	92	41%	252	168	50%
Capex	62	30	108%	115	44	164%
Operating Free Cash Flow (EBITDA - Capex)	112	99	13%	226	202	12%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**328**	**264**	**24%**	**641**	**521**	**23%**
EBITDA	174	129	35%	341	247	38%
EBITDA / Revenue	*53.1%*	*49.0%*	*4.1 pp*	*53.2%*	*47.4%*	*5.7 pp*
EBIT	129	92	41%	252	168	50%
Capex	62	30	108%	115	44	164%
Operating Free Cash Flow (EBITDA - Capex)	112	100	13%	226	203	11%

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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**301**	**281**	**7%**	**578**	**546**	**6%**
EBITDA	123	111	11%	233	211	10%
EBITDA / Revenue	*40.7%*	*39.5%*	*12 pp*	*40.3%*	*38.7%*	*16 pp*
EBIT	65	60	8%	116	100	16%
Capex	30	53	(43%)	60	74	(19%)
Operating Free Cash Flow (EBITDA - Capex)	93	58	59%	173	138	26%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**307**	**272**	**13%**	**588**	**529**	**11%**
EBITDA	125	107	16%	238	205	16%
EBITDA / Revenue	*40.7%*	*39.4%*	*13 pp*	*40.5%*	*38.7%*	*18 pp*
EBIT	66	58	14%	118	97	22%
Capex	30	53	(43%)	60	74	(19%)
Operating Free Cash Flow (EBITDA - Capex)	95	55	72%	178	131	36%

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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**217**	**229**	**(5%)**	**426**	**455**	**(6%)**
EBITDA	76	90	(16%)	140	176	(20%)
EBITDA / Revenue	*34.9%*	*39.6%*	*-4.6 pp*	*32.9%*	*38.6%*	*-5.7 pp*
EBIT	29	53	(46%)	47	81	(42%)
Capex	54	22	146%	69	36	91%
Operating Free Cash Flow (EBITDA - Capex)	22	68	(68%)	72	140	(49%)

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**221**	**225**	**(2%)**	**431**	**444**	**(3%)**
EBITDA	77	89	(14%)	142	172	(18%)
EBITDA / Revenue	*34.9%*	*39.7%*	*-4.8 pp*	*32.8%*	*38.7%*	*-5.9 pp*
EBIT	29	52	(45%)	47	79	(40%)
Capex	54	22	146%	69	36	91%
Operating Free Cash Flow (EBITDA - Capex)	23	67	(66%)	73	136	(46%)

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

3.2 Segment Wise Contribution (in Constant Currency)

Quarter Ended:

Amount in US$ Mn, except ratios

Region	Quarter Ended Sep 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	328	38%	174	46%	62	42%
East Africa	307	36%	125	33%	30	20%
Rest of Africa	221	26%	77	20%	54	37%
Total before Elimnation/Others	**856**	**100%**	**376**	**100%**	**147**	**100%**
Eliminations / Others	(2)	0%	(0)	0%	(0)	0%
Total	**853**	**100%**	**376**	**100%**	**147**	**100%**

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

Half Year Ended:

Amount in US$ Mn, except ratios

Region	Half Year Ended Sep 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	641	39%	341	47%	115	47%
East Africa	588	35%	238	33%	60	24%
Rest of Africa	431	26%	142	20%	69	28%
Total before Elimnation/Others	**1,660**	**100%**	**720**	**99%**	**244**	**99%**
Eliminations / Others	(5)	0%	6	1%	2	1%
Total	**1,655**	**100%**	**726**	**100%**	**246**	**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 Services- Summarized Statement of Operations

4.1.1 Consolidated Summarized Statement of Operations

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**790**	**730**	**8%**	**1,540**	**1,435**	**7%**
EBITDA	335	310	8%	644	597	8%
EBITDA / Revenue	*42.4%*	*42.4%*	*-0.1 pp*	*418%*	*416%*	*0.2 pp*
EBIT	186	185	1%	347	315	10%
Capex	145	102	43%	241	150	61%
Operating Free Cash Flow (EBITDA - Capex)	189	208	(9%)	403	447	(10%)

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**798**	**721**	**11%**	**1,554**	**1,410**	**10%**
EBITDA	338	306	10%	649	587	11%
EBITDA / Revenue	*42.3%*	*42.5%*	*-0.1 pp*	*418%*	*417%*	*0.1 pp*
EBIT	187	183	2%	349	311	12%
Capex	145	102	43%	241	150	61%
Operating Free Cash Flow (EBITDA - Capex)	193	204	(6%)	408	437	(7%)

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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**326**	**262**	**24%**	**637**	**517**	**23%**
EBITDA	172	128	35%	337	244	38%
EBITDA / Revenue	*52.9%*	*48.8%*	*4.1 pp*	*53.0%*	*47.2%*	*5.7 pp*
EBIT	127	90	41%	248	166	50%
Capex	62	30	108%	115	44	164%
Operating Free Cash Flow (EBITDA - Capex)	110	98	12%	222	201	11%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**327**	**263**	**24%**	**638**	**518**	**23%**
EBITDA	173	128	35%	338	245	38%
EBITDA / Revenue	*52.9%*	*48.8%*	*4.1 pp*	*53.0%*	*47.2%*	*5.7 pp*
EBIT	128	91	40%	248	166	50%
Capex	62	30	108%	115	44	164%
Operating Free Cash Flow (EBITDA - Capex)	110	98	12%	222	201	11%

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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**263**	**255**	**3%**	**507**	**493**	**3%**
EBITDA	99	99	0%	190	188	1%
EBITDA / Revenue	*37.6%*	*38.8%*	*-12 pp*	*37.5%*	*38.2%*	*-0.7 pp*
EBIT	42	48	(13%)	75	79	(5%)
Capex	29	50	(43%)	58	71	(18%)
Operating Free Cash Flow (EBITDA - Capex)	70	49	44%	132	118	12%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**267**	**247**	8%	**515**	**477**	**8%**
EBITDA	101	96	6%	194	181	7%
EBITDA / Revenue	*37.8%*	*38.7%*	*-0.9 pp*	*37.6%*	*38.1%*	*-0.4 pp*
EBIT	43	46	(7%)	77	76	2%
Capex	29	50	(43%)	58	71	(18%)
Operating Free Cash Flow (EBITDA - Capex)	72	46	59%	136	111	23%

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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**203**	**216**	**(6%)**	**398**	**431**	**(8%)**
EBITDA	64	83	(24%)	116	164	(29%)
EBITDA / Revenue	*314%*	*38.5%*	*-7.1 pp*	*29.2%*	*38.2%*	*-9.0 pp*
EBIT	16	46	(64%)	23	70	(67%)
Capex	54	22	150%	68	35	90%
Operating Free Cash Flow (EBITDA - Capex)	9	61	(85%)	49	129	(62%)

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**206**	**212**	**(3%)**	**403**	**421**	**(4%)**
EBITDA	65	82	(21%)	118	161	(27%)
EBITDA / Revenue	*313%*	*38.6%*	*-7.2 pp*	*29.1%*	*38.3%*	*-9.1 pp*
EBIT	17	45	(64%)	24	69	(66%)
Capex	54	22	150%	68	35	90%
Operating Free Cash Flow (EBITDA - Capex)	10	60	(83%)	50	126	(60%)

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

4.2 Mobile Services - Segment Wise Contribution (in Constant Currency)

Quarter Ended:

Amount in US$ Mn, except ratios

Region	Quarter Ended Sep 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	327	41%	173	51%	62	43%
East Africa	267	33%	101	30%	29	20%
Rest of Africa	206	26%	65	19%	54	37%
Total before Elimnation/Others	**800**	**100%**	**338**	**100%**	**145**	**100%**
Eliminations / Others	(1)	0%	0	0%	0	0%
Total	**798**	**100%**	**338**	**100%**	**145**	**100%**

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

Half Year Ended:

Amount in US$ Mn, except ratios

Region	Half Year Ended Sep 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	638	41%	338	52%	115	48%
East Africa	515	33%	194	30%	58	24%
Rest of Africa	403	26%	118	18%	68	28%
Total before Elimnation/Others	**1,556**	**100%**	**649**	**100%**	**241**	**100%**
Eliminations / Others	(3)	0%	0	0%	0	0%
Total	**1,554**	**100%**	**649**	**100%**	**241**	**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			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**78**	**53**	**47%**	**146**	**103**	**42%**
EBITDA	38	20	85%	70	37	91%
EBITDA / Revenue	*48.2%*	*38.3%*	*9.9 pp*	*48.2%*	*35.7%*	*12.5 pp*
EBIT	37	19	88%	67	34	98%
Capex	2	3	(52%)	3	4	(12%)
Operating Free Cash Flow (EBITDA - Capex)	36	17	110%	67	33	103%

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Revenue	**79**	**53**	**51%**	**148**	**101**	**47%**
EBITDA	38	20	88%	71	36	95%
EBITDA / Revenue	*48.1%*	*38.7%*	*9.4 pp*	*48.1%*	*36.1%*	*12.0 pp*
EBIT	37	19	91%	68	34	102%
Capex	2	3	(52%)	3	4	(12%)
Operating Free Cash Flow (EBITDA - Capex)	37	17	113%	68	33	107%

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 Sep 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile Services	798	94%	338	90%	145	99%
Mobile Money	79	9%	38	10%	2	1%
Total before Elimnation/Others	**878**	**103%**	**376**	**100%**	**147**	**100%**
Eliminations / Others	(24)	(3%)	(0)	0%	(0)	(0%)
Total	**853**	**100%**	**376**	**100%**	**147**	**100%**

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

Half Year Ended:

Amount in US$ Mn, except ratios

Products	Half Year Ended Sep 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile Services	1,554	94%	649	89%	241	98%
Mobile Money	148	9%	71	10%	3	1%
Total before Elimnation/Others	**1,701**	**103%**	**720**	**99%**	**244**	**99%**
Eliminations / Others	(46)	(3%)	6	1%	2	1%
Total	**1,655**	**100%**	**726**	**100%**	**246**	**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 (Quarter Ended)

5.1.1 Consolidated Operational Performance

Parameters	Unit	Sep-19	Jun-19	Q-on-Q Change	Sep-18	Y-on-Y Change
Customer Base	000's	103,881	99,670	4.2%	94,096	10.4%
Net Additions	000's	4,211	819	414.2%	2,903	45.1%
Monthly Churn	%	4.5%	5.0%	-0.5 pp	4.8%	-0.3 pp
Average Revenue Per User (ARPU)	US$	2.8	2.7	3.6%	2.7	2.4%
Voice						
Voice Revenue	$ Mn	491	472	4.0%	475	3.3%
Minutes on the network	Mn	60,795	55,329	9.9%	52,357	16.1%
Voice Average Revenue Per User (ARPU)	US$	1.6	1.6	1.2%	1.7	(6.0%)
Voice Usage per customer	min	199	186	7.0%	189	5.7%
Data						
Data Revenue	$ Mn	229	209	9.7%	164	39.6%
Data Customer Base	000's	31,910	30,001	6.4%	27,113	17.7%
As % of Customer Base	%	30.7%	30.1%	0.6 pp	28.8%	1.9 pp
Total MBs on the network	Mn MBs	162,394	139,303	16.6%	88,808	82.9%
Data Average Revenue Per User (ARPU)	US$	2.5	2.3	6.2%	2.1	19.9%
Data Usage per customer	MBs	1,748	1,550	12.8%	1,113	57.1%
Mobile Money						
Transaction Value	$ Mn	7,978	7,208	10.7%	5,926	34.6%
Transaction Value per Sub	US$	178	163	8.9%	155	14.8%
Mobile Money Revenue	$ Mn	79	69	15.6%	53	50.9%
Active Customers	000's	15,521	14,600	6.3%	12,943	19.9%
Mobile Money ARPU	US$	1.8	1.6	13.7%	1.4	28.6%
Network and Coverage						
Network towers	Nos	21,936	21,385	551	20,060	1,876
Owned Towers	Nos	4,461	4,500	(39)	4,449	12
Leased Towers	Nos	17,475	16,885	590	15,611	1,864
Of which Mobile Broadband towers	Nos	18,274	17,049	1,225	15,280	2,994
Total Mobile Broadband Base stations	Nos	40,187	35,283	4,904	26,338	13,849
Revenue Per Site Per Month	US$	13,100	12,565	4.3%	12,626	3.8%

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

5.2 Nigeria Operational Performance

Parameters	Unit	Sep-19	Jun-19	Q-on-Q Change	Sep-18	Y-on-Y Change
Customer Base	000's	39,512	37,468	5.5%	34,181	15.6%
Net Additions	000's	2,044	347	488.8%	1,568	30.4%
Monthly Churn	%	4.7%	5.3%	-0.6 pp	4.4%	0.3 pp
Average Revenue Per User (ARPU)	US$	2.8	2.8	1.8%	2.7	7.3%
Voice						
Voice Revenue	$ Mn	200	198	1.3%	177	13.5%
Minutes on the network	Mn	15,687	15,809	(0.8%)	14,592	7.5%
Voice Average Revenue Per User (ARPU)	US$	1.7	1.8	(1.9%)	1.8	(2.0%)
Voice Usage per customer	min	136	141	(3.9%)	146	(7.1%)
Data						
Data Revenue	$ Mn	106	94	12.9%	59	78.1%
Data Customer Base	000's	15,471	14,628	5.8%	12,810	20.8%
As % of Customer Base	%	39.2%	39.0%	0.1 pp	37.5%	1.7 pp
Total MBs on the network	Mn MBs	80,247	71,108	12.9%	43,067	86.3%
Data Average Revenue Per User (ARPU)	US$	2.3	2.1	9.7%	1.6	47.9%
Data Usage per customer	MBs	1,784	1,626	9.7%	1,153	54.7%
Network and Coverage						
Network towers	Nos	8,878	8,523	355	7,618	1,260
Owned Towers	Nos	261	260	1	258	3
Leased Towers	Nos	8,617	8,263	354	7,360	1,257
Of which Mobile Broadband towers	Nos	7,695	7,115	580	5,997	1,698
Total Mobile Broadband Base stations	Nos	13,209	12,223	986	8,311	4,898
Revenue Per Site Per Month	US$	12,559	12,315	2.0%	11,693	7.4%

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	Sep-19	Jun-19	Q-on-Q Change	Sep-18	Y-on-Y Change
Customer Base	000's	45,007	43,052	4.5%	41,265	9.1%
Net Additions	000's	1,955	194	910.0%	1,222	60.0%
Monthly Churn	%	3.8%	4.8%	-1.0 pp	5.0%	-1.2 pp
Average Revenue Per User (ARPU)	US$	2.3	2.2	6.2%	2.2	4.2%
Voice						
Voice Revenue	$ Mn	158	144	9.7%	151	4.3%
Minutes on the network	Mn	38,290	32,660	17.2%	30,428	25.8%
Voice Average Revenue Per User (ARPU)	US$	1.2	1.1	6.8%	1.2	(3.5%)
Voice Usage per customer	min	290	254	14.1%	249	16.5%
Data						
Data Revenue	$ Mn	75	71	5.0%	65	14.9%
Data Customer Base	000's	12,142	11,219	8.2%	10,252	18.4%
As % of Customer Base	%	27.0%	26.1%	0.9 pp	24.8%	2.1 pp
Total MBs on the network	Mn MBs	66,644	55,875	19.3%	36,620	82.0%
Data Average Revenue Per User (ARPU)	US$	2.1	2.1	0.4%	2.1	(0.0%)
Data Usage per customer	MBs	1,905	1,671	14.0%	1,203	58.3%
Network and Coverage						
Network towers	Nos	8,678	8,572	106	8,204	474
Owned Towers	Nos	2,421	2,468	(47)	2,447	(26)
Leased Towers	Nos	6,257	6,104	153	5,757	500
Of which Mobile Broadband towers	Nos	7,386	6,888	498	6,358	1,028
Total Mobile Broadband Base stations	Nos	19,564	16,903	2,661	13,367	6,197
Revenue Per Site Per Month	US$	11,809	10,967	7.7%	11,030	7.1%

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	Sep-19	Jun-19	Q-on-Q Change	Sep-18	Y-on-Y Change
Customer Base	000's	19,362	19,150	1.1%	18,650	3.8%
Net Additions	000's	212	278	(23.9%)	113	87.3%
Monthly Churn	%	5.8%	5.2%	0.6 pp	5.4%	0.4 pp
Average Revenue Per User (ARPU)	US$	3.8	3.7	3.1%	4.0	(5.4%)
Voice						
Voice Revenue	$ Mn	135	133	1.7%	151	(10.7%)
Minutes on the network	Mn	6,818	6,860	(0.6%)	7,337	(7.1%)
Voice Average Revenue Per User (ARPU)	US$	2.3	2.3	0.0%	2.7	(13.9%)
Voice Usage per customer	min	118	121	(2.2%)	132	(10.4%)
Data						
Data Revenue	$ Mn	48	44	10.5%	39	22.4%
Data Customer Base	000's	4,297	4,154	3.4%	4,052	6.1%
As % of Customer Base	%	22.2%	21.7%	0.5 pp	21.7%	0.5 pp
Total MBs on the network	Mn MBs	15,503	12,320	25.8%	9,121	70.0%
Data Average Revenue Per User (ARPU)	US$	3.7	3.4	8.8%	3.3	13.7%
Data Usage per customer	MBs	1,202	970	23.9%	761	57.8%
Network and Coverage						
Network towers	Nos	4,380	4,290	90	4,238	142
Owned Towers	Nos	1,779	1,772	7	1,744	35
Leased Towers	Nos	2,601	2,518	83	2,494	107
Of which Mobile Broadband towers	Nos	3,193	3,046	147	2,925	268
Total Mobile Broadband Base stations	Nos	7,414	6,157	1,257	4,660	2,754
Revenue Per Site Per Month	US$	16,936	16,433	3.1%	17,689	(4.3%)

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 the second quarter and half year ended 30 September 2019

- 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

- On 9 September 2019 it was announced that Airtel Africa plc would be added to the FTSE 250 index as from 23 September 2019.

- In July'19 the Group reached an important milestone of 100 million customers across our footprint.

- On 9 October 2019 the Group announced a partnership with Mastercard which will give Airtel Money customers the ability to make online payments globally via a virtual Airtel Money Mastercard. In addition, Airtel Money customers, even those using a feature phone, will also be able to make in-person payments at outlets via Quick Response (QR) codes. To date, there are over 1 million merchant locations across Africa that accept Mastercard QR payments, approximately 700,000 of which are in Nigeria, Airtel Africa's largest market and where the company has already applied for a payment service bank license.

- On 21 October 2019 the Group announced a partnership with Ecobank which will allow millions of Airtel Money and Ecobank customers across Africa to improve their access to mobile financial services and carry out a variety of mobile transactions.

- On 22 October 2019 the Group announced partnership with Finablr which will enable Airtel Money customers to receive money directly to their phones, in their Airtel Money wallets, from more than 160 countries around the world. Money will be able to be sent conveniently and affordably through either the Finablr agent network in 160 countries, the Finablr online portal, an Airtel Money mobile app or the Airtel Africa online portal. Once the funds have been received on their handsets, Airtel Money customers have the choice to cash out in nearly 300,000 Airtel Money outlets and agents across Africa, make peer to peer payments, or pay bills and merchants Airtel Africa will shortly begin a marketing programme targeted at African communities abroad.

- Dividend **-** The Board approved an interim dividend of $ 3¢ per ordinary share. The proposed interim dividend will be paid on 29 November 2019 to shareholders who are on the register of members at close of business on 15 November 2019 (the Record Date). Further details will be announced by the Company in due course.

- The Group obtained additional spectrum of 20MHz in 2600 band in Nigeria, 5MHz in 1800 band in Chad and 10MHz in 2100 band in Malawi in H1'20.

Nigeria

- Airtel Nigeria received "Brand of the year and most customer centric brand" award in Jun 2019 from "Marketing Edge Magazine.
- Application for Payment Service Bank (PSB) License and Super-Agent License has been filed with Central Bank of Nigeria (CBN). Approval of the brand name was received in July 2019.

East Africa

- Airtel Uganda won the award for best Digital customer experience in financial services, IT and Telecom segment.

- Airtel Zambia won the award for best "ICT Exhibit" in an event organized by Zambia show society. (ICT – Information Communication and Technology)

Rest of Africa

- Airtel DRC has launched 4G services for its customers from current quarter. The launch is an important step towards nation's digitization drive.

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 half year ended September 30, 2019

- Customer base grew by 10.4% to 104 Mn.
- Revenue increased by 8.4% to $ 1,640 Mn in H1 with Q2 growth accelerating to 9.8%.
- In constant currency terms, revenue grew 11.4% in H1 and 12.6% in Q2. This was the 7th consecutive quarter of double-digit constant currency growth. The constant currency revenue growth of 11.4% was driven by double-digit growth in Nigeria and East Africa, partially offset by a slight decrease in Rest of Africa.
- Growth was broad based across all services, with revenue in Voice, Data and Mobile Money up by 3.2%, 37.8% and 46.5% respectively
- Reported EBITDA was $ 719 Mn in H1, up 10.9%, while constant currency EBITDA growth was 13.7% over the same period.
- EBITDA margin in reported currency was 43.9% in H1, an increase of 1.0pp, while there was an increase of 0.9pp in constant currency terms.
- Operating profit increased by 8.6%.
- Free cash flow was $ 237 Mn, up by 28% in H1.
- EPS before exceptional items was $ 4.1¢ and Basic EPS was $ 6.3¢.
- Net debt to EBITDA was 2.3x, compared to 5.1x as of September 2018.
- The board declared an interim dividend of $ 3¢ per share.

Key Highlights – For the Quarter ended September 30, 2019

- Reported revenues increased to $ 843.9 Mn, up 9.8%, with constant currency growth of 12.6%.
- Revenue growth of 12.6% in constant currency was driven by double-digit growth in Nigeria and East Africa, partially offset by slight decrease in Rest of Africa
- Growth was broad based across all services with revenue in Voice, Data and Mobile Money up by 3.3%, 39.6% and 50.9% respectively
- Reported EBITDA was $ 371.8 Mn, up 12.2%, while constant currency EBITDA growth was 14.6%
- EBITDA margin in reported currency was 44.1%, an increase of 0.9pp, while there was an increase of 0.8pp in constant currency terms

Results for the half year ended on September 30, 2019

6.4.1 Airtel Africa Consolidated

On 28 June 2019 the Airtel Africa announced the successful pricing of its Initial Public Offering at 80 pence (NGN 363) per Share. The Offer comprised 676,406,927 new Shares (being the total of 637,178,959 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.

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

The Group's continued focus on building exclusive channels, combined with a simplified digital onboarding application with seamless onboarding customer experience have enabled to add quality customers, resulting in customer base growth of 10.4% to 104 million customers across our footprint. The customer growth remains well diversified across the three segments, where it increased by 15.6% in Nigeria, 9.1% in East Africa and 3.8% in the Rest of Africa. The overall churn decreased by 0.1% to 4.8%.

The Group's strategy to invest in the 4G network through single RAN technology has resulted in better 4G coverage and enhanced network's capacity, leading to high-speed data being made available to more of our customers. With continued investment in 4G network across our footprints, 4G sites now contributes 58% of total sites as compared to 27% in the last year. In the first half of the year, the Group launched 4G services in Democratic Republic of Congo and Niger and we are ready to activate the commercial launch in Tanzania, thereby making 4G services available across all of our 14 countries.

In the half year ended 30 September 2019, the Group completed its network modernization in nine countries (Uganda, Kenya, Zambia, Malawi, Rwanda, Congo B, Gabon, Madagascar and Seychelles) and continued the modernization in other countries.

The Group continued to invest to build large fiber capacities. In the past 6 months, the Group increased the number of sites on fiber and long-distance fiber capacities which has helped the Group to build strong redundancies, which further supported greater uptime and high-speed data availability to the Group's customers.

Data growth is a key pillar of the Group's strategy. The improved LTE network offered by the industry has contributed to increased smartphone penetration. The percentage of 3G and 4G enabled smartphones increased to 31% from 27.8% in the previous year. This has resulted in data customers increasing by 17.7% to 31.9 Mn which now represent 30.7% of our total customer base.

The Group's strategy to partner with key handset outlets, offering more affordable smartphone bundles and a customer-friendly SIM upgrade process has also supported data customer growth. Higher adoption of "More for More" data bundles has helped increase the data usage per customer to 1.6 GB/customer from 1 GB/customer in previous period. All these have contributed to data revenue growth of 37.8%.

As a result of increased penetration and usage of 3G and 4G data customers, data ARPU increased by 18.5%.

Mobile money continues to be Airtel Africa's fastest-growing business segment, delivering revenue growth of 46.5% in the first half year, and slightly above 50% in Q2. It is an increasingly more important part of our business and currently accounts for 9% of total revenues.

Expanded distribution and enhanced offering contributed to mobile money customer increase of 2.6 million to a total of 15.5 million and an increased annualized transaction value to $ 30 billion from $ 24 billion in the previous period. Annualized transaction value in Q2'20 amounted to $ 32 billion.

The Group continued to enhance its customer offering by entering into partnerships with leading institutions such as Mastercard, Ecobank and Finablr to provide improved access to digital payments, to allow customers to receive conveniently and affordably funds from 160 different countries and improve customer access to financial services.

Revenue increased by 8.4%, with constant currency growth of 11.4% being partially offset by currency devaluation. Growth accelerated in the second quarter to 12.6% in constant currency as a result of improvement in performance of Rest of Africa. Constant currency revenue growth was largely driven by a 10.4% increase in the customer base, to 104 Mn, and ARPU growth of 1.5%. Double digit revenue growth in Nigeria and East Africa was partially offset by a decrease in Rest of Africa revenues. Across services, revenue growth in constant currency terms was positive with mobile Voice up 3.2%, Data up 37.8%, and Mobile Money up 46.5%.

EBITDA was $ 719 Mn, up 10.9% largely driven by 13.7% constant currency growth, partially offset by currency devaluation. EBITDA margin was at 43.9%, an improvement of 1.0pp as operating efficiencies in network expenses and other overheads partially offset by one-off impact from the quality of service charge in Gabon.

During the period, the adverse foreign exchange impact was $ 43 Mn on revenues and $ 17 Mn on EBITDA, largely driven by the devaluation of the Zambian Kwacha and Central African Franc. The currency exchange rates in other markets remained broadly stable compared to the same period last year.

Finance costs reduced by $ 70 Mn. A 23% decrease in interest costs, as a result of lower debt, and derivatives gains more than offset the impact from one-off benefits incurred in the prior year, higher costs related to the IPO and foreign exchange impact on debt.

Exceptional gain of $ 74 Mn for the half year ended 30 September 2019, mainly consisted of $ 72 Mn gain related to the expired indemnity to certain pre-IPO investors as disclosed in the registration document published on 28 May 2019.

Profit after Tax was $ 228 Mn and remained flat as compared to previous period as an increase in EBIT and lower finance costs partially offset by higher tax charges.

6.4.2 Net Debt

Net debt reduced to $ 3,191 Mn in September 2019 compared to $ 6,439 Mn in September 2018. The reduction in net debt is a result of bond repayments of $ 2.2 Bn and an increase in cash from the net IPO proceeds of $ 670 Mn. As a result, leverage reduced to 2.3x as of September 2019 as compared to 5.1x as of September 2018 basis LTM EBITDA.

6.4.3 Going Concern and Working Capital

The Group has USD 2.7 Bn of intermediate parent guaranteed Bonds ("the Notes"). In May 2019 and ahead of IPO, the Group executed a bank facility agreement (the 'New Airtel Africa Facility') in a principal amount of up to USD 2 Bn which was available to draw down for a period of six months. In addition certain of the Group's subsidiaries arranged for USD 425 Mn other committed facilities. The Group expressed an intention at IPO to refinance the Notes through various suitable means including the draw down on the facilities by December 2019 to the extent that the Notes had not been refinanced or unless alternate committed liquidity have been put in place.

Following successful completion of the IPO and receipt of USD 680 Mn of IPO proceeds, in October 2019 the Group further reassessed the requirement for the New Airtel Africa Facility amounting to USD 1.2 Bn (USD 0.8 Bn already having been cancelled post IPO) and having considered business performance, free cash flows, liquidity expectation for the next 12 months together with its other existing drawn and undrawn facilities, the Group cancelled the remaining USD 1.2 Bn New Airtel Africa Facility. As part of this evaluation the Group has considered its future working capital requirements and has to date secured letters of intent and term sheets including underwrites for Debt Capital Market issuances from several institutions totaling USD 1.5 Bn, subject to customary terms and conditions. In the Group's assessment these, once executed, along with existing cash and facilities will provide an option to the Group to refinance the Notes should it choose to do so.

On October 24, 2019, The Honorable Supreme Court of India delivered an adverse court judgement in India on the Group's intermediate parent in relation to a long outstanding industry wide case ("the Court Judgement"). The overall financial impact arising out of the Court Judgement, is still being assessed by the intermediate parent company but this could result in USD 505 of the Group's Notes requiring to be prepaid on a voluntary basis to avoid loan incurrence covenants on those Notes coming into force. If required, this prepayment can be made from the Group's existing facilities with no adverse impact to the Group's operations or going concern.

As part of its assessment of going concern, the Directors have taken into account all factors likely to affect its future performance and financial position, including the Group's cash flows under both base and a number of reasonable worst case scenarios, solvency and liquidity positions, and borrowing facilities and all the risks and uncertainties relating to its business activities. The Group has also considered whether any events are likely to arise that would result in an early repayment requirement of the balance of the Notes and has assessed any material restrictions that may be imposed on it consequent to the actions / inactions of its intermediate parent company. The Group will continue to assess this risk as the impact of the Court Judgement becomes clearer and has considered whether this could give rise to the early repayment of the balance of the remaining USD 2.2 Bn of Notes. This represents a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However the Group has cash and facilities together with a number of financing options as detailed above and other operational mitigation measures available to it should they be required and has concluded that despite the risks associated with the Court Judgement against the intermediate parent and its impact on the Notes, the Group will be able to continue as a going concern.

6.4.4 Segment Wise – Africa

6.4.4.1 Nigeria

In the half year ended 30 September 2019, reported revenue in Nigeria increased by 23.2%, broadly in line with constant currency growth as a result of a stable foreign exchange environment.

Revenue in constant currency was up 23.1%, largely driven by voice revenue growth of 13.1% and sustained growth in data with revenue up 75.7%.

Voice revenue growth of 13.1% was mainly driven by double-digit growth in customer base. Customer growth resulted from the efficient sales and distribution system and expansion of network infrastructure.

Data revenue was up 75.7% and it remained the largest contributor to revenue growth. Data revenue growth was driven by accelerated rollout of our 4G network, with 62% of the sites being 4G, an increase in data customer base by 20.8% and ARPU growth of 43.0%. During the period 4G data usage increased by almost 20 times. Data revenue now accounts for 31% of Airtel Nigeria revenue, compared to 22% in the prior year. The solid expansion of the 4G network is a pillar of strong growth in Nigeria.

EBITDA margin at 53.2% in constant currency increased by 5.7pp as a result of revenue growth and operating efficiencies across various cost items. The increase in network expenses, resulting from the expansion of network infrastructure was more than compensated by data and voice revenue growth.

During the period, capital expenditure almost doubled, to $ 115 Mn, as the business continued to expand and invest in the network infrastructure, largely 4G, as the number of 4G sites increased 2.4x.

Operating Free Cash Flow was $ 226 Mn, up 11.6%, largely as a result of double-digit EBITDA growth partially offset by an increase in capital expenditures.

Airtel Nigeria received "Brand of the year and most customer-centric brand" award in Jun 2019 from "Marketing Edge Magazine.

6.4.4.2 East Africa

In the first half year ended 30 September 2019, reported revenue in East Africa increased by 5.8%, as constant currency growth of 11.1%, was partially offset by currency devaluation in Zambia and Malawi. Revenue growth of 11.1% in constant currency was driven by growth across all services.

In the East Africa region, Kenya, Tanzania, Malawi and Zambia recorded double-digit revenue growth in constant currency.

Voice revenue was up 4.6%, largely driven by customer growth of 9.1% and an increased usage per customer of 12.0%.

Data revenue increased by 13.8%, driven by the increase in data customer base, up 18.4% and an increase in data usage per customer, up 56.5%. The growth in data revenue was driven by the rollout and expansion of 4G network. Smartphone penetration was up 5% and there was a continued higher adoption of the "more for more" data bundle offering, supporting the overall data usage and revenue growth. Data revenue accounted for 25% of total revenue in East Africa.

Mobile money revenue increased by 53.9%, due to the increase in customer base by 19.1% and transaction value per customer increased by 19%. We continued to expand the Mobile Money distribution network (Agents, Kiosks and Airtel Money Branches).

EBITDA margin at 40.5% in constant currency increased by 1.8pp as a result of revenue growth and cost efficiencies.

During the period, capital expenditure was slightly lower as a large part of the network modernization in East Africa was completed in the previous year. As a result of lower capex and higher EBITDA, operating free cash flow amounted to $ 173 Mn, up 26.0%.

6.4.4.3 Rest of Africa

Performance in Rest of Africa improved in the second quarter as a result of improved performance in data and mobile money. Nevertheless, Rest of Africa continued to be impacted by macro-economic weakness in some of the countries in the region.

Revenue decreased by 2.9%, as growth in data, mobile money and other revenue did not offset a decline in voice revenue.

Voice revenue decreased by 10.8%, due in large part by the impact of a reduction in interconnect usage charges in Niger, Madagascar and Chad and overall market weakness in some of the countries in the segment.

Data delivered a growth of 21.9% largely driven by increased data usage with 4G launches in Republic of the Congo, Democratic Republic of Congo and Niger. In addition, the first phase of network modernization has been completed in the Democratic Republic of Congo. In Rest of Africa segment, 1,400+ additional sites were rolled out on 4G network, which accounted for almost half of the total sites. More than 7,400 broadband base stations were rolled out during the period.

Mobile money revenue increased by 33.1% with all key markets delivering double digit growth, supported by mobile money customer base growth of 24.6% and expansion of distribution network.

EBITDA margin at 32.8% in constant currency decreased by 5.9pp as a result of lower revenue and a one-off quality of services charge in Gabon in the first quarter.

Capital expenditure almost doubled during the reporting period to $ 69 Mn as the business continued to invest in network modernization, the rollout of 4G network, with the number of 4G sites increasing by more than threefold.

6.4.5 Product wise Africa

6.4.5.1 Mobile services:

During the half year ended 30 September 2019, Voice Revenue in constant currency grew by 3.2% largely driven by customer growth of 10.4%, as a result of stable churn and the expansion of sales and distribution network and expansion of network infrastructure.

Voice ARPU decreased by 6.0% in constant currency terms, largely driven by a weakness in Rest of Africa and decrease in interconnect usage charges across key markets in East Africa and Rest of Africa.

Data Revenue was up by 37.8% in constant currency, largely driven by data customer growth of 17.7% and higher data usage per customer, up 55.7%. Data customer growth led by increase in smartphone penetration by 3%, accelerated roll out of 4G network, with 58% of the sites being 4G and more than 13,800 broadband base stations added. More than 30.7% of total customer base are data users, increased from 28.8% in previous period.

During the period, overall data usage increased by 81.1% supported by the investments in growing the strength and reliability of our 4G network (more than 7,300 additional sites now on 4G) and higher adoption of simplified “more for more” data bundles resulting in data ARPU growth of 18.5%. Data accounted for 26.4% of total revenue, up from 21.3% in the prior period.

6.4.5.2 Mobile Money

Mobile money revenue grew by 46.5% in constant currency, driven by customer growth and growth in transaction value. Growth of customer base was largely driven by the expansion of the distribution network, as the business invested in more exclusive kiosks and mobile money branches, up 32% and 141% respectively compared to last year.

Furthermore, the expansion of the merchant ecosystem and the provision of more affordable tariffs further contributed to transaction value growth.

EBITDA in mobile money increased by 91.3%, amounting to $ 70.0 Mn, driven by revenue growth and supported by efficient distribution cost structure, resulting into better flow through in EBITDA. As a result, EBITDA margin improved to 48.2%, up from 35.7%.

Transaction value increased by 29.4% in constant currency, with an annualized value of more than $ 30 billion driven by the expansion of its distribution infrastructure.

Mobile money active customer base at 15.5 million, up 19.9% on the previous year with the mobile money customer base currently representing 15% of the total base.

ARPU in mobile money increased 22.4% driven by subscriber growth and higher contribution from P2P and merchant payments.

Results for the Quarter ended September 30, 2019

6.5.1 Airtel Africa Consolidate

As on 30 Sep 2019, the group had an aggregate customer base of 104 Mn as compared to 94 Mn in the corresponding quarter last year, an increase of 10.4%. Customer churn for the quarter has decreased to 4.5% as compared to 4.8% in the corresponding quarter last year. Total minutes on network during the quarter registered a growth of 16.1% to 60.8 Bn as compared to 52.4 Bn in the corresponding quarter last year.

Data customers increased by 4.8 Mn to 31.9 Mn as compared to 27.1 Mn in the corresponding quarter last year. Increase in data subscribers is mainly led by increased smartphone penetration, up 3.2 % to 31.0%, and the expansion of 3G and 4G network (13,800 broadband base stations added and 4G sites now contributing for half of the total sites). The total MBs on the network grew at 82.9% to 162.4 Bn MBs compared to 88.8 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 1,748 MBs as compared to 1,113 MBs in the corresponding quarter last year, an increase of 57.1%.

Mobile Money revenue in constant currency grew by 50.9% driven by customer growth of 19.9% and transaction value growth of 34.6%. Growth was largely driven by the expansion of the distribution infrastructure, as the business invested in exclusive kiosks and mobile money branches, up 32% and 141% respectively compared to last year. In addition, expansion of the merchant ecosystem and affordable tariffs has contributed to transaction value growth.

Reported revenue increased by 9.8% and constant currency growth of 12.6% was partially offset by currency devaluation. Constant currency revenue growth was largely driven by 10.4% increase in the customer base, to 103.9 Mn, and a broadly stable ARPU at $ 2.8. Double digit revenue growth in Nigeria and East Africa more than offset a revenue decrease in Rest of Africa segment. Across products, revenue growth in constant currency was widespread with mobile Voice up 3.3%, Data up 39.6%, and Mobile Money up 50.9%, all delivering growth.

For the quarter, EBITDA in reported currency was $ 371.8 Mn, up 12.0% largely driven by 14.6% constant currency growth, partially offset by currency devaluation. EBITDA margin was at 44.1%, an improvement of 0.8pp

In constant currency, EBITDA for quarter was at $ 376 Mn as compared to $ 328 Mn in the corresponding quarter last year. EBITDA margin improved by 0.8pp and was at 44.0% for the quarter as compared to 43.2% in the corresponding quarter last year.

On reported basis, the finance costs decreased by $ 77.3 Mn, largely due to decrease in interest cost by 24% as a result of lower debt, and derivatives gains more than offset the impact from one-off benefits incurred in the prior year, higher costs related to the IPO and foreign exchange impact on debt.

For the quarter reported tax charge before exceptional items increased by $ 49.5 Mn.

On reported basis, Profit after Tax was $ 90 Mn, an increase of 38.6 % compared to the prior year, as growth in EBIT & lower finance cost was partially offset by higher tax expense and lower gains on exceptional items.

Capital expenditure during the quarter was $ 147 Mn, largely on account of investment in data capacities and network modernization.

Operating free cash flow in Constant Currency during the quarter is at $ 229 Mn, as compared to $ 222 Mn in the corresponding quarter last year.

6.5.2 Segment Wise – Africa

6.5.2.1 Nigeria

Reported revenue in Nigeria increased by 24.3%, broadly in line with constant currency growth as a result of a stable foreign exchange environment.

Revenue in constant currency was up 24.2%, largely driven by voice revenue growth of 13.5% and sustained growth in data with revenue up 78.1%.

Voice revenue increase of 13.5% was mainly driven by 15.6% growth in customer base. Customer growth resulted from the efficient sales and distribution system and expansion of network infrastructure.

Data revenue was up 78.1% and it remained the largest contributor to revenue growth. Data revenue growth was driven by accelerated roll out of our 4G network, with 62% of the sites being 4G, an increase in data customer base by 20.8% and ARPU growth of 47.9%. Data usage per sub grew by 54.7% (1.1 GB in Q2'19 and 1.7 GB in Q2'20)

EBITDA margin in constant currency increased by 4.1pp as a result of revenue growth and operating efficiencies across various cost items.

During the period, capital expenditure almost doubled, to $ 62 Mn, as the business continued to expand and invest in the network infrastructure, largely 4G.

Operating Free Cash Flow in constant currency was $ 112 Mn, up 12.6%, largely as a result of double-digit EBITDA growth partially offset by increase in capital expenditures.

6.5.2.2 East Africa

Reported revenue in East Africa increased by 7.5%, as constant currency growth of 12.5%, was partially offset by currency devaluation in Zambia and Malawi. Revenue growth of 12.5% in constant currency was driven by growth across all services.

In East Africa segment, Kenya, Tanzania, Malawi and Zambia have recorded double-digit revenue growth in constant currency.

Voice revenue was up 4.3%, largely driven by customer growth of 9.1% and increased usage per customer of 16.5%.

Data revenue increased 14.9%, driven by the increase in data customer base, up 18.4% and increase in data usage per customer, up 58.3%. The growth in data revenue was driven by roll out and expansion of 4G network. Increased smartphone penetration by 5% and continued higher adoption of “more for more” data bundle offerings also supported the overall data usage and revenue growth.

Mobile Money revenue increased by 58.7% due to the increase in customer base by 19.1% and transaction value per customer increased by 30%. We continued to expand the Mobile Money distribution network (Agents, Kiosks and Airtel Money Branches).

EBITDA margin in constant currency increased by 1.3pp as a result of revenue growth and cost efficiencies.

During the period, capital expenditure was slightly lower as large part of the network modernization in East Africa was completed in the previous year. As a result of lower capex and higher EBITDA, operating free cash flow in reported currency was $ 93 Mn, up 59.6%.

6.5.2.3 Rest of Africa

Revenue in constant currency decreased by 1.9% as growth in data, mobile money and other revenue did not offset a decline in voice revenue however performance improved in the second quarter where constant currency growth of 4.8% was recorded against previous quarter.

Voice revenue decreased by 10.7% as 3.8% customer growth was not enough to offset the impact of reduction in interconnect usage charges in Niger, Madagascar and Chad and overall market weakness in some of the countries in the segment.

Data delivered a growth of 22.4% largely driven by increased data usage with 4G launches in Republic of the Congo, Democratic Republic of Congo and Niger. In addition, first phase of network modernization has been completed in the Democratic Republic of Congo. In Rest of Africa segment, 1,400+ additional sites were rolled out on 4G network, which accounted for almost half of the total sites. More than 7,400 broadband base stations were rolled out during the period.

Mobile money revenue increased by 36.1% with all key markets delivering double digit growth, supported by mobile money customer base growth of 24.6% and expansion of distribution network.

EBITDA margin in constant currency decreased by 4.8pp as a result of lower revenue.

Capital expenditure almost doubled during the reporting period to $ 54 Mn as the business continued to invest in network modernization, the rollout of 4G network, with the number of 4G sites increasing by more than threefold.

6.5.3 Product wise Africa

6.5.3.1 Mobile services:

During the quarter ended 30 September 2019, Voice Revenue in constant currency grew by 3.2% largely driven by customer growth of 10.4%, as a result of stable churn and the expansion of sales and distribution network and expansion of network infrastructure.

Data Revenue was up by 39.6% in constant currency largely driven by data customer growth of 17.7% and higher data usage per customer, up 57.1%. Data customer growth led by increase in smartphone penetration by 3%, accelerated roll out of 4G network, with 59% of the sites being 4G and more than 13,800 broadband base stations added. More than 30.7% of total customer base are data users, increased from 28.8% in previous period.

During the period, overall data usage increased by 82.9% as a result of densification of 4G network across countries (7,300+ additional sites on 4G network) and higher adoption of simplified “more for more” data bundle offerings resulting in data ARPU growth of 19.9%. Data accounted for 28.7% of total revenue, up from 22.8% in the prior period.

6.5.3.2 Mobile Money

Mobile money revenue grew by 50.9% in constant currency driven by customer growth and growth in transaction value. Growth of customer base was largely driven by the expansion of the distribution network, as the business invested in more exclusive kiosks and mobile money branches, up 32% and 141% respectively compared to last year.

Furthermore, the expansion of the merchant ecosystem and provision of more affordable tariffs further contributed to transaction value growth.

EBITDA in mobile money increased by 87.6%, amounting to $ 38.1 Mn, driven by revenue growth and supported by efficient distribution cost structure, resulting into better flow through in EBITDA. As a result, EBITDA margin improved to 48.1%, up from 38.7%.

Transaction value increased by 34.6% in constant currency, with an annualized value amounting to $ 32 Bn driven by expansion of its distribution infrastructure.

Mobile money active customer base at 15.5 million, up 19.9% on the previous year with the mobile money customer base currently representing 15% of the total base.

ARPU in Mobile Money increased 28.6% driven by subscriber growth and higher contribution from P2P and merchant payments.

SECTION 7

DETAILED FINANCIAL AND RELATED INFORMATION

7.1 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 second quarter and half year ended 30 September 2019 and extracted 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.

7.1.1 Consolidated Statement of Comprehensive Income

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Income						
Revenue	844	769	10%	1,640	1,513	8%
Other income	7	6	14%	11	17	(36%)
	851	**774**	**10%**	**1,651**	**1,530**	**8%**
Expenses						
Network operating expenses	156	141	11%	297	273	9%
Access Charges	94	85	11%	184	171	8%
License fee / spectrum charges (revenue share)	48	47	2%	94	92	2%
Employee benefits expense	61	53	15%	111	118	(6%)
Sales and marketing expenses	46	42	8%	83	76	10%
Impairment loss on financial assets	(3)	7	(137%)	2	16	(90%)
Other expenses	76	68	12%	166	142	17%
Depreciation and amortisation	162	137	18%	319	278	15%
	641	**581**	**10%**	**1,256**	**1,166**	**8%**
Operating profit	**210**	**194**	**8%**	**395**	**364**	**9%**
Finance costs	96	148	(36%)	209	226	(8%)
Finance income	(38)	(5)	(702%)	(60)	(8)	(636%)
Non (operating income) / expenses, (net)	2	-		(70)	-	
Share of loss / profit of joint ventures and associate	(0)	(0)	0%	(0)	(0)	0%
Profit before tax	**150**	**50**	**200%**	**316**	**146**	**116%**
Tax expense / (credit)						
Current tax	38	9	307%	70	37	89%
Deferred tax	16	(22)	172%	18	(119)	115%
Profit for the period	**96**	**62**	**55%**	**228**	**228**	**0%**

7.1.2 Consolidated Statement of Comprehensive Income

Amount in US$ Mn, except ratios

Particulars	Quarter Ended			Half Year Ended		
	Sep-19	Sep-18	Y-on-Y Change	Sep-19	Sep-18	Y-on-Y Change
Profit for the period	**96**	**62**	**55%**	**228**	**228**	**0%**
Other comprehensive income ('OCI'):						
Items to be reclassified subsequently to profit or loss :						
Net gains / (loss) due to foreign currency translation differences	7	(86)	108%	(24)	(194)	88%
Share of OCI of associate	-	-		-	-	
Net Gains / (losses) on net investments hedge	7	0	3,220%	7	28	(75%)
Net Gains / (Losses) on cash flow hedge	(2)	(2)	18%	(3)	(10)	67%
Other comprehensive income / (loss) for the period	**12**	**(88)**	**114%**	**(20)**	**(176)**	**89%**
Total comprehensive income / (loss) for the period	**109**	**(26)**	**523%**	**208**	**51**	**308%**
Profit for the period Attributable to:	**96**	**62**	**56%**	**228**	**228**	**(0%)**
Owners of the Company	90	64	40%	215	205	5%
Non-controlling interests	6	(2)	362%	13	23	(44%)
Other comprehensive income / (loss) for the period attributable to :	**12**	**(88)**	**114%**	**(20)**	**(176)**	**89%**
Owners of the Company	13	(84)	115%	(20)	(173)	89%
Non-controlling interests	(0)	(4)	92%	(0)	(3)	87%
Total comprehensive income / (loss) for the period attributable to :	**109**	**(26)**	**523%**	**208**	**52**	**298%**
Owners of the Company	103	(19)	637%	195	32	509%
Non-controlling interests	5	(7)	182%	13	20	(38%)
Earnings per share (In USD)						
Basic	0.02	0.06		0.06	0.18	
Diluted	0.02	0.06		0.06	0.18	

7.1.3 Consolidated Summarized Financial Position

Amount in US$ Mn

Particulars	As at Sep 30, 2019	As at Mar 31, 2019
Assets		
Non-current assets		
Property, plant and equipment (including CWIP and Right of use assets)	2,610	2,617
Intangible assets	4,511	4,545
Investment	4	3
Financial Assets		
Other financial assets	8	54
Deferred tax assets (net) [including Income tax (net)]	354	377
Other non-current assets	104	89
	7,591	**7,685**
Current assets		
Financial Assets		
- Trade receivables	131	121
- Cash and cash equivalents	1,469	848
- Other Bank balance	277	259
- Others	69	78
Other current assets	111	121
	2,057	**1,427**
Total Assets	**9,648**	**9,112**
Equity and liabilities		
Equity attributable to owners of the Parent	3,556	2,627
Non-controlling interests ('NCI')	(171)	(195)
	3,385	**2,432**
Non-current liabilities		
Financial Liabilities		
- Borrowings	3,696	3,474
- Others	3	14
Deferred tax liabilities (net)	27	33
Other non-current liabilities	56	54
	3,782	**3,575**
Current liabilities		
Financial Liabilities		
- Borrowings	989	1,365
- Trade Payables	705	712
- Others	428	700
Current tax liabilities (net)	73	67
Other current liabilities	286	261
	2,481	**3,105**
Total Liabilities	**6,263**	**6,680**
Total Equity and liabilities	**9,648**	**9,112**

7.1.4 Consolidated Summarized Statement of Cash Flows

Amount in US$ Mn

Particulars	Half Year Ended	
	Sep-19	Sep-18
Cash flows from operating activities		
Profit before tax	**316**	**146**
Adjustments for -		
Depreciation and amortisation	319	278
Finance income	(60)	(8)
Finance cost	209	226
Other adjustments	(77)	12
Operating cash flow before changes in working capital	**707**	**654**
Changes in working capital -		
Trade receivables	(12)	(14)
Trade payables	4	(53)
Other assets and liabilities	(35)	(97)
Net cash generated from operations before tax	**665**	**490**
Income tax paid	(69)	(63)
Net cash generated from operating activities (a)	**596**	**427**
Cash flows from investing activities		
Purchase of property, plant and equipment	(349)	(273)
Purchase of intangible assets	(35)	(56)
Proceeds on sale of tower assets	-	41
Interest received	14	8
Net cash (used in) / generated from investing activities (b)	**(370)**	**(280)**
Cash flows from financing activities		
Proceeds from issue of shares	680	-
Proceeds from issue of shares to NCI	3	-
Acquisition of non- controlling interest	-	(74)
Payment of share issue expenses	(16)	-
Proceeds from borrowings	144	238
Repayment of borrowings	(319)	(182)
Proceeds from sale and lease back of towers	-	22
Repayment of lease liabilities	(89)	(81)
Dividend paid to non-controlling interests	-	(4)
Interest and other finance charges paid	(176)	(178)
Proceeds from borrowings from related parties	-	337
Share stabilisation proceeds	7	-
Proceeds from maturity of derivatives	122	-
Net cash (used in) / generated from financing activities (c)	**356**	**78**
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	**582**	**225**
Effect of exchange rate on cash and cash equivalents	3	2
Cash and cash equivalents as at beginning of the period	632	56
Cash and cash equivalents as at end of the period	**1,217**	**283**

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)	Operating profit	Page 33
Underlying Operating Expenses	Expenses	Page 33
Finance Cost (net)	Finance Cost and Finance Income	Page 34
Profit / (loss) before tax (before exceptional item)	Profit / (Loss) Before Tax	Page 34
Profit / (loss) after tax (before exceptional item)	Profit / (loss) after tax	Page 34
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 between GAAP and Non - GAAP Measures

7.2.1.1: EBITDA and Margin

Particulars	UoM	Half Year ended	
		Sep-19	Sep-18
Operating profit	**$ Mn**	**395**	**364**
Add:			
Depreciation and amortization	$ Mn	319	278
Charity and donation	$ Mn	3	2
Exceptional items	$ Mn	2	5
EBITDA	**$ Mn**	**719**	**649**
Revenue	**$ Mn**	**1,640**	**1,513**
EBITDAMargin (%)	**$ Mn**	**43.9%**	**42.9%**

7.2.1.2: Underlying Operating Expenditure

Particulars	UoM	Half Year ended	
		Sep-19	Sep-18
Expenses	**$ Mn**	**1,256**	**1,166**
Less:			
Access charges	$ Mn	(184)	(171)
Depreciation and amortization	$ Mn	(319)	(278)
Charity and donation	$ Mn	(3)	(2)
Exceptional items	$ Mn	(2)	(5)
Underlying Operating Expenditure	**$ Mn**	**748**	**710**

7.2.1.3: Finance Cost

Particulars	UOM	Half Year Ended	
		Sep-19	Sep-18
Finance cost	$ Mn	209	226
Less: Finance income	$ Mn	(60)	(8)
Less : Exceptional items	$ Mn	1	-
Finance cost (net)	**$ Mn**	**148**	**218**

7.2.1.4: Profit / (Loss) Before Tax

Particulars	UoM	Half Year ended	
		Sep-19	Sep-18
Profit / (loss) for the year Before Tax	**$ Mn**	**316**	**146**
Exceptional items	$ Mn	(46)	30
Profit / (loss) before tax (before exceptional item)	**$ Mn**	**270**	**176**

7.2.1.5: Profit / (Loss) After Tax

Particulars	UoM	Half Year ended	
		Sep-19	Sep-18
Profit / (loss) after tax	**$ Mn**	**228**	**228**
Exceptional items	$ Mn	(74)	(117)
Profit / (loss) after tax (before exceptional item)	**$ Mn**	**154**	**111**

7.2.1.6: Net Debt and Leverage

Particulars	UoM	As at	As at	As at
		Sep-19	Mar-19	Sep-18
Long term borrowing, net of current portion	$ Mn	2,700	2,437	3,825
Short-term borrowings and current portion of long-term borrowing	$ Mn	797	1,184	1,765
Add: Processing costs related to borrowings	$ Mn	5	6	10
Add/(less): Fair value hedge adjustment	$ Mn	(30)	8	75
Less: Cash and Cash Equivalents	$ Mn	(1,469)	(848)	(439)
Net Debt excluding Lease Obligations	**$ Mn**	**2,003**	**2,787**	**5,236**
Add: Lease Obligations	$ Mn	1,188	1,218	1,203
Net Debt including Lease Obligations	**$ Mn**	**3,191**	**4,005**	**6,439**
EBITDA (LTM)	**$ Mn**	**1,402**	**1,332**	**1,259**
EBITDA (Annualized)	**$ Mn**	**1,439**	**1,366**	**1,297**
Leverage (LTM)	**Times**	**2.3**	**3.0**	**5.1**
Leverage (Annualized)	**Times**	**2.2**	**2.9**	**5.0**

7.2.1.7: Operating Free Cash Flow

Particulars	UoM	Half Year ended	
		Sep-19	Sep-18
Net Cash Generated from Operating Activities	**$ Mn**	**596**	**427**
Add: Income tax paid	$ Mn	69	63
Cash Generation from Operation before tax	**$ Mn**	**665**	**490**
Less: Changes in working capital	**$ Mn**		
Increase in trade receivables	$ Mn	12	14
Increase / (decrease) in inventories	$ Mn	0	0
Decrease in trade payables	$ Mn	(4)	53
Increase / (decrease) in provisions	$ Mn	(2)	3
Decrease in other financial and non financial liabilities	$ Mn	9	25
Increase in other financial and non financial assets	$ Mn	27	63
Decrease in deferred revenue	$ Mn		6
Operating cash flow before changes in working capital	**$ Mn**	**707**	**654**
Other adjustments		7	(12)
Charity and donation	$ Mn	3	2
Exceptional items	$ Mn	2	5
EBITDA	**$ Mn**	**719**	**649**
Less: Capital Expenditure	$ Mn	(246)	(155)
Operating Free Cash Flow	**$ Mn**	**473**	**494**

SECTION 8

NET DEBT AND COST SCHEDULES

8.1 Consolidated Schedule of Net Debt

Amount in US$ Mn

Particulars	As at Sep 30, 2019	As at Sep 30, 2018	As at Mar 31, 2019
Long term borrow ing, net of current portion	2,676	3,910	2,452
Short-term borrow ings and current portion of long-term borrow ing	797	1,765	1,184
Less:			
Cash and Cash Equivalents	1,469	439	848
Net Debt excluding Lease Obligations	**2,003**	**5,236**	**2,787**
Lease Obligations	1,188	1,203	1,218
Net Debt including Lease Obligations	**3,191**	**6,439**	**4,005**

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

Amount in US$ Mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Interest on borrow ings and Finance charges	55	61	108	111
Interest on Lease Obligation	32	32	64	63
Investment (income)/ loss	(9)	(5)	(15)	(8)
Finance cost excluding Derivatives and Forex	**78**	**88**	**157**	**166**
Add : Derivatives and exchange (gain)/ loss	(12)	55	(9)	51
Finance cost (net of Derivatives and Forex)	**66**	**144**	**148**	**218**

8.3 Consolidated Schedule of Operating Expenses (in Constant Currency)

Amount in US$ Mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Access charges	95	85	186	168
Cost of goods sold	35	26	66	51
License fee / spectrum charges (revenue share)	49	46	95	90
Netw ork operations costs	153	140	290	269
Employee benefits expense	66	56	120	120
Selling, general and adminstration expense	87	85	187	168
Operating Expenses	**485**	**437**	**943**	**866**

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

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

Amount in US$ Mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Depreciation	132	106	261	214
Amortization	21	17	42	35
Depreciation and Amortization	**154**	**123**	**303**	**248**

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

8.5 Consolidated Schedule of Income Tax before exceptional item (in Constant Currency)

Amount in US$ Mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Current tax expense	40	29	72	51
Deferred tax expense / (income)	28	(11)	45	8
Income tax expense	**69**	**18**	**117**	**59**

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		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Access charges	94	85	184	171
Cost of goods sold	34	26	65	53
License fee / spectrum charges (revenue share)	48	47	94	92
Network operations costs	152	142	287	274
Employee benefits expense	65	56	119	123
Selling, general and adminstration expense	86	86	185	171
Operating Expenses	**480**	**444**	**934**	**883**

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

Amount in US$ Mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Depreciation	131	108	259	218
Amortization	21	18	42	36
Depreciation and Amortization	**152**	**125**	**300**	**253**

8.8 Consolidated Schedule of Income Tax before exceptional item (in Reported Currency)

Amount in US$ Mn

Particulars	Quarter Ended		Half Year Ended	
	Sep-19	Sep-18	Sep-19	Sep-18
Current tax expense	39	29	71	57
Deferred tax expense / (income)	28	(11)	44	7
Income tax expense	**68**	**18**	**115**	**64**

SECTION 9

TRENDS AND RATIO ANALYSIS

9.1 Based on Statement of Operations

9.1.1 Consolidated Statement of Operations: (in Reported Currency)

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**844**	**796**	**781**	**783**	**769**
Access charges	94	90	88	87	85
Cost of goods sold	34	30	29	30	26
Net revenues	**715**	**676**	**664**	**666**	**657**
Operating Expenses (Excl Access Charges, cost of goods sold and License Fee)	302	286	280	286	284
Licence Fee	48	46	45	46	47
EBITDA	**372**	**348**	**344**	**339**	**332**
Cash Profit from operations before Derivative and Exchange Flucations	293	267	271	250	242
EBIT	219	198	199	203	206
Share of results of associate	0	0	1	(1)	0
Profit before Tax	153	117	129	136	62
Profit after Tax (before exceptional items)	85	69	96	123	44
Non Controlling Interest (before exceptional items)	6	6	6	8	8
Net Income (before exceptional items)	78	63	89	115	36
Exceptional items (net)	(11)	(64)	7	(9)	(18)
Profit after Tax (after exceptional items)	**96**	**133**	**89**	**133**	**62**
Non Controlling Interest	6	7	6	9	(2)
Net Income	**90**	**125**	**83**	**123**	**64**
Capex	147	99	305	170	106
Operating Free Cash Flow (EBITDA - Capex)	225	248	39	169	226
Total Capital Employed	6,747	6,864	6,631	6,534	6,571

	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
As a % of Revenue					
Access charges	11.2%	11.3%	11.2%	11.1%	11.1%
Cost of goods sold	4.1%	3.8%	3.7%	3.8%	3.4%
Net revenues	**84.7%**	**84.9%**	**85.0%**	**85.1%**	**85.5%**
Operating Expenses (excluding access charges, cost of goods sold and license fee)	35.8%	36.0%	35.9%	36.6%	37.0%
Licence Fee	5.7%	5.7%	5.7%	5.9%	6.1%
EBITDA	**44.1%**	**43.7%**	**44.0%**	**43.3%**	**43.2%**
Cash Profit from operations before Derivative and Exchange Flucations	34.7%	33.5%	34.8%	31.9%	31.5%
EBIT	25.9%	24.8%	25.5%	25.9%	26.8%
Share of results of associate	0.0%	0.0%	0.1%	(0.1%)	0.0%
Profit before Tax	18.1%	14.7%	16.5%	17.4%	8.1%
Profit after Tax (before exceptional items)	**10.0%**	**8.7%**	**12.2%**	**15.8%**	**5.7%**
Non Controlling Interest (before exceptional items)	0.8%	0.8%	0.8%	1.0%	1.0%
Net Income (before exceptional items)	9.3%	7.9%	11.5%	14.7%	4.7%
Exceptional items (net)	(1.3%)	(8.0%)	0.9%	(1.2%)	(2.4%)
Profit after Tax (after exceptional items)	**11.3%**	**16.7%**	**11.3%**	**16.9%**	**8.1%**
Non Controlling Interest	0.7%	0.9%	0.8%	1.2%	(0.3%)
Net Income	10.6%	15.7%	10.6%	15.7%	8.4%

9.1.2 Consolidated Statement of Operations: (in Constant Currency)

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**853**	**802**	**782**	**785**	**758**
Access charges	95	90	88	87	85
Cost of goods sold	35	31	29	30	26
Net revenues	**723**	**681**	**665**	**668**	**648**
Operating Expenses (Excl Access Charges, cost of goods sold and License Fee)	305	288	280	287	280
Licence Fee	49	46	45	46	46
EBITDA	**376**	**350**	**344**	**340**	**328**
Cash Profit from operations before Derivative and Exchange Flucations	296	269	272	251	238
EBIT	221	199	200	204	203
Share of results of associate	0	0	1	(1)	0
Profit before Tax (before exceptional items)*	143	120	129	114	115
Profit after Tax (before exceptional items)	74	72	96	101	97
Non Controlling Interest (before exceptional items)	6	6	6	8	8
Net Income (before exceptional items)	68	65	90	93	90
Exceptional items (net)	(11)	(64)	7	(10)	(18)
Profit after Tax (after exceptional items)	**85**	**136**	**89**	**111**	**116**
Non Controlling Interest	6	7	6	9	(2)
Net Income	**79**	**129**	**83**	**101**	**118**
Capex	147	99	305	170	106
Operating Free Cash Flow (EBITDA - Capex)	229	251	39	170	222
Total Capital Employed	6,747	6,864	6,631	6,534	6,571

	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
As a % of Revenue					
Access charges	11.2%	11.3%	11.3%	11.1%	11.1%
Cost of goods sold	4.1%	3.8%	3.7%	3.8%	3.4%
Net revenues	**84.7%**	**84.9%**	**85.0%**	**85.1%**	**85.5%**
Operating Expenses (excluding access charges, cost of goods sold and license fee)	35.8%	36.0%	35.9%	36.6%	36.9%
Licence Fee	5.7%	5.8%	5.7%	5.9%	6.1%
EBITDA	**44.0%**	**43.7%**	**44.0%**	**43.4%**	**43.2%**
Cash Profit from operations before Derivative and Exchange Flucations	34.7%	33.5%	34.8%	32.0%	31.4%
EBIT	25.9%	24.8%	25.5%	26.0%	26.8%
Share of results of associate	0.0%	0.0%	0.1%	(0.1%)	0.0%
Profit before Tax	16.7%	15.0%	16.6%	14.6%	15.1%
Profit after Tax (before exceptional items)	**8.7%**	**8.9%**	**12.3%**	**12.8%**	**12.8%**
Non Controlling Interest (before exceptional items)	0.7%	0.8%	0.8%	1.0%	1.0%
Net Income (before exceptional items)	7.9%	8.2%	11.5%	11.8%	11.8%
Exceptional items (net)	(1.2%)	(8.0%)	0.9%	(1.2%)	(2.4%)
Profit after Tax (after exceptional items)	**9.9%**	**16.9%**	**11.4%**	**14.1%**	**15.2%**
Non Controlling Interest	0.7%	0.9%	0.8%	1.2%	(0.3%)
Net Income	9.2%	16.1%	10.6%	12.9%	15.5%

**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 Segment Wise Statement of Operations

9.2.1 Nigeria

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**327**	**313**	**301**	**285**	**263**
EBITDA	174	167	161	143	129
EBITDA / Revenue	*53.1%*	*53.3%*	*53.4%*	*50.1%*	*49.0%*
EBIT	129	122	119	106	92
Capex	62	53	67	68	30
Operating Free Cash Flow (EBITDA - Capex)	112	113	93	74	99

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**328**	**313**	**301**	**288**	**264**
EBITDA	174	167	161	144	129
EBITDA / Revenue	*53.1%*	*53.3%*	*53.4%*	*50.0%*	*49.0%*
EBIT	129	122	119	107	92
Capex	62	53	67	68	30
Operating Free Cash Flow (EBITDA - Capex)	112	113	94	76	100

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				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**301**	**277**	**273**	**283**	**281**
EBITDA	123	111	114	117	111
EBITDA / Revenue	*40.7%*	*40.0%*	*417%*	*414%*	*39.5%*
EBIT	65	51	58	59	59
Capex	30	30	119	65	53
Operating Free Cash Flow (EBITDA - Capex)	93	81	(5)	52	58

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**307**	**281**	**272**	**282**	**272**
EBITDA	125	113	113	117	107
EBITDA / Revenue	*40.7%*	*40.2%*	*416%*	*414%*	*39.4%*
EBIT	66	53	57	59	58
Capex	30	30	119	65	53
Operating Free Cash Flow (EBITDA - Capex)	95	83	(5)	52	55

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				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**217**	**209**	**211**	**221**	**229**
EBITDA	76	64	79	85	90
EBITDA / Revenue	*34.9%*	*30.8%*	*37.4%*	*38.3%*	*39.6%*
EBIT	29	18	33	45	53
Capex	54	14	118	36	22
Operating Free Cash Flow (EBITDA - Capex)	22	50	(39)	49	68

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**221**	**211**	**211**	**221**	**225**
EBITDA	77	65	79	85	89
EBITDA / Revenue	*34.9%*	*30.7%*	*37.4%*	*38.3%*	*39.7%*
EBIT	29	18	33	45	52
Capex	54	14	118	36	22
Operating Free Cash Flow (EBITDA - Capex)	23	50	(39)	49	67

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 Services - Summarized Statement of Operations

9.3.1.1 Consolidated Mobile:

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**790**	**750**	**739**	**743**	**730**
EBITDA	335	309	321	316	310
EBITDA / Revenue	*42.4%*	*412%*	*43.4%*	*42.5%*	*42.4%*
EBIT	186	161	179	184	185
Capex	145	96	297	167	102
Operating Free Cash Flow (EBITDA - Capex)	189	213	24	149	208

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**798**	**755**	**740**	**746**	**721**
EBITDA	338	311	321	317	306
EBITDA / Revenue	*42.3%*	*412%*	*43.4%*	*42.6%*	*42.5%*
EBIT	187	162	179	185	183
Capex	145	96	297	167	102
Operating Free Cash Flow (EBITDA - Capex)	193	216	24	150	204

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

9.3.1.2 Nigeria Mobile Services

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**326**	**311**	**299**	**284**	**262**
EBITDA	172	165	159	141	128
EBITDA / Revenue	*52.9%*	*53.1%*	*53.3%*	*49.7%*	*48.8%*
EBIT	127	121	118	105	90
Capex	62	53	67	68	30
Operating Free Cash Flow (EBITDA - Capex)	110	112	92	73	98

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**327**	**311**	**300**	**286**	**263**
EBITDA	173	165	160	142	128
EBITDA / Revenue	*52.9%*	*53.1%*	*53.3%*	*49.7%*	*48.8%*
EBIT	128	121	118	106	91
Capex	62	53	67	68	30
Operating Free Cash Flow (EBITDA - Capex)	110	112	92	74	98

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 Services (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**263**	**244**	**243**	**254**	**255**
EBITDA	99	91	92	101	99
EBITDA / Revenue	*37.6%*	*37.3%*	*37.8%*	*40.0%*	*38.8%*
EBIT	42	33	37	45	48
Capex	29	29	112	63	50
Operating Free Cash Flow (EBITDA - Capex)	70	62	(20)	39	49

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**267**	**248**	**243**	**254**	**247**
EBITDA	101	93	92	101	96
EBITDA / Revenue	*37.8%*	*37.5%*	*37.8%*	*40.0%*	*38.7%*
EBIT	43	34	37	45	46
Capex	29	29	112	63	50
Operating Free Cash Flow (EBITDA - Capex)	72	64	(20)	39	46

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 Services (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

In Reported Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**203**	**196**	**199**	**208**	**216**
EBITDA	64	53	69	74	83
EBITDA / Revenue	*314%*	*26.9%*	*35.0%*	*35.4%*	*38.5%*
EBIT	16	7	24	35	46
Capex	54	13	117	36	22
Operating Free Cash Flow (EBITDA - Capex)	9	39	(48)	38	61

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**206**	**197**	**199**	**208**	**212**
EBITDA	65	53	70	74	82
EBITDA / Revenue	*313%*	*26.8%*	*34.9%*	*35.4%*	*38.6%*
EBIT	17	7	24	35	45
Capex	54	13	117	36	22
Operating Free Cash Flow (EBITDA - Capex)	10	40	(48)	37	60

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				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**78**	**68**	**67**	**64**	**53**
EBITDA	38	33	32	29	20
EBITDA / Revenue	*48.2%*	*48.1%*	*48.4%*	*44.4%*	*38.3%*
EBIT	37	31	31	26	19
Capex	2	2	8	2	3
Operating Free Cash Flow (EBITDA - Capex)	36	31	24	26	17

In Constant Currency

Amount in US$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Revenue	**79**	**69**	**66**	**64**	**53**
EBITDA	38	33	32	29	20
EBITDA / Revenue	*48.1%*	*48.1%*	*48.5%*	*44.4%*	*38.7%*
EBIT	37	31	31	26	19
Capex	2	2	8	2	3
Operating Free Cash Flow (EBITDA - Capex)	37	31	24	26	17

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

9.4 Operational Performance Trends (Quarter Ended)

9.4.1 Consolidated - Operational Performance

Parameters	Unit	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Customer Base	000's	103,881	99,670	98,851	97,922	94,096
Net Additions	000's	4,211	819	929	3,827	2,903
Monthly Churn	%	4.5%	5.0%	5.4%	4.7%	4.8%
Average Revenue Per User (ARPU)	US$	2.8	2.7	2.6	2.7	2.7
Voice						
Voice Revenue	$ Mn	491	472	482	484	475
Minutes on the network	Mn	60,795	55,329	52,866	52,445	52,357
Voice Average Revenue Per User (ARPU)	US$	1.6	1.6	1.6	1.7	1.7
Voice Usage per customer	min	199	186	179	183	189
Data						
Data Revenue	$ Mn	229	209	187	175	164
Data Customer Base	000's	31,910	30,001	30,024	29,264	27,113
As % of Customer Base	%	30.7%	30.1%	30.4%	29.9%	28.8%
Total MBs on the network	Mn MBs	162,394	139,303	120,674	105,338	88,808
Data Average Revenue Per User (ARPU)	US$	2.5	2.3	2.1	2.1	2.1
Data Usage per customer	MBs	1,748	1,550	1,375	1,248	1,113
Mobile Money						
Transaction Value	US$ Mn	7,978	7,208	6,474	6,509	5,926
Transaction Value per Subs	US$	178	163	157	156	155
Mobile Money Revenue	$ Mn	79	69	66	64	53
Active Customers	000's	15,521	14,600	14,216	13,805	12,943
Mobile Money ARPU	US$	1.8	1.6	1.6	1.5	1.4
Network and Coverage						
Network towers	Nos	21,936	21,385	21,059	20,582	20,060
Owned towers	Nos	4,461	4,500	4,422	4,441	4,449
Leased towers	Nos	17,475	16,885	16,637	16,141	15,611
Of which Mobile Broadband towers	Nos	18,274	17,049	16,426	15,734	15,280
Total Mobile Broadband Base stations	Nos	40,187	35,283	32,501	29,650	26,338
Revenue Per site Per Month	US$	13,100	12,565	12,487	12,837	12,626

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	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Customer Base	000's	39,512	37,468	37,121	36,608	34,181
Net Additions	000's	2,044	347	513	2,427	1,568
Monthly Churn	%	4.7%	5.3%	5.7%	4.2%	4.4%
Average Revenue Per User (ARPU)	US$	2.8	2.8	2.7	2.7	2.7
Voice						
Voice Revenue	$ Mn	200	198	201	190	177
Minutes on the network	Mn	15,687	15,809	15,878	15,368	14,592
Voice Average Revenue Per User (ARPU)	US$	1.7	1.8	1.8	1.8	1.8
Voice Usage per customer	min	136	141	143	145	146
Data						
Data Revenue	$ Mn	106	94	80	67	59
Data Customer Base	000's	15,471	14,628	14,667	13,580	12,810
As % of Customer Base	*%*	*39.2%*	*39.0%*	*39.5%*	*37.1%*	*37.5%*
Total MBs on the network	Mn MBs	80,247	71,108	62,968	54,005	43,067
Data Average Revenue Per User (ARPU)	US$	2.3	2.1	1.9	1.7	1.6
Data Usage per customer	MBs	1,784	1,626	1,479	1,358	1,153
Network and Coverage						
Network towers	Nos	8,878	8,523	8,368	7,997	7,618
Owned towers	Nos	261	260	260	259	258
Leased towers	Nos	8,617	8,263	8,108	7,738	7,360
Of which Mobile Broadband towers	Nos	7,695	7,115	6,810	6,311	5,997
Total Mobile Broadband Base stations	Nos	13,209	12,223	11,729	10,369	8,311
Revenue Per site Per Month	US$	12,559	12,315	12,260	12,279	11,693

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	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Customer Base	000's	45,007	43,052	42,858	42,535	41,265
Net Additions	000's	1,955	194	323	1,270	1,222
Monthly Churn	%	3.8%	4.8%	5.1%	4.7%	5.0%
Average Revenue Per User (ARPU)	US$	2.3	2.2	2.1	2.3	2.2
Voice						
Voice Revenue	$ Mn	158	144	143	154	151
Minutes on the network	Mn	38,290	32,660	30,202	30,048	30,428
Voice Average Revenue Per User (ARPU)	US$	1.2	1.1	1.1	1.2	1.2
Voice Usage per customer	min	290	254	236	241	249
Data						
Data Revenue	$ Mn	75	71	67	67	65
Data Customer Base	000's	12,142	11,219	10,920	10,807	10,252
As % of Customer Base	%	27.0%	26.1%	25.5%	25.4%	24.8%
Total MBs on the network	Mn MBs	66,644	55,875	47,291	41,353	36,620
Data Average Revenue Per User (ARPU)	US$	2.1	2.1	2.1	2.1	2.1
Data Usage per customer	MBs	1,905	1,671	1,459	1,310	1,203
Network and Coverage						
Network towers	Nos	8,678	8,572	8,449	8,346	8,204
Owned towers	Nos	2,421	2,468	2,401	2,425	2,447
Leased towers	Nos	6,257	6,104	6,048	5,921	5,757
Of which Mobile Broadband towers	Nos	7,386	6,888	6,644	6,487	6,358
Total Mobile Broadband Base stations	Nos	19,564	16,903	15,551	14,234	13,367
Revenue Per site Per Month	US$	11,809	10,967	10,784	11,321	11,030

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	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Customer Base	000's	19,362	19,150	18,872	18,779	18,650
Net Additions	000's	212	278	93	129	113
Monthly Churn	%	5.8%	5.2%	5.6%	5.5%	5.4%
Average Revenue Per User (ARPU)	US$	3.8	3.7	3.8	4.0	4.0
Voice						
Voice Revenue	$ Mn	135	133	142	147	151
Minutes on the network	Mn	6,818	6,860	6,786	7,029	7,337
Voice Average Revenue Per User (ARPU)	US$	2.3	2.3	2.5	2.6	2.7
Voice Usage per customer	min	118	121	121	126	132
Data						
Data Revenue	$ Mn	48	44	40	41	39
Data Customer Base	000's	4,297	4,154	4,437	4,877	4,052
As % of Customer Base	%	22.2%	21.7%	23.5%	26.0%	21.7%
Total MBs on the network	Mn MBs	15,503	12,320	10,415	9,980	9,121
Data Average Revenue Per User (ARPU)	US$	3.7	3.4	3.2	3.2	3.3
Data Usage per customer	MBs	1,202	970	815	766	761
Network and Coverage						
Network towers	Nos	4,380	4,290	4,242	4,239	4,238
Owned towers	Nos	1,779	1,772	1,761	1,757	1,744
Leased towers	Nos	2,601	2,518	2,481	2,482	2,494
Of which Mobile Broadband towers	Nos	3,193	3,046	2,972	2,936	2,925
Total Mobile Broadband Base stations	Nos	7,414	6,157	5,221	5,047	4,660
Revenue Per site Per Month	US$	16,936	16,433	16,569	17,356	17,689

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 recognized 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 recognized 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 recognizes such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognized from the consolidated statement of financial position and cost of the new item of PPE is recognized.

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-recognized 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 in the consolidated statement of financial position until capitalized. 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 amortized; 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 recognized 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 recognized at fair value as on acquisition date. Other intangible assets are recognized at cost. These assets having a definite useful life are carried at cost less accumulated amortization and any impairment losses. Amortization 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 amortized 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 recognized as a cost in the consolidated statement of comprehensive income when incurred.

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

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

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

The useful lives and amortization method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits from these assets.

The effect of any change in the estimated useful lives and / or amortization method is accounted prospectively, and accordingly, the amortization 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 recognizes 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 amortized 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 recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The Group recognizes 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 recognized 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 recognized 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 recognized 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 recognized as operating lease. The contracted price is recognized 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 recognized 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 amortized 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 recognized 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 recognized 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 recognized 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 recognized (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized for amounts received in advance, until the services are provided or when the usage of services becomes remote.

The Group recognizes revenue from these services as they are provided. Revenue is recognized 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 recognized over the subscription pack validity period. Customer onboarding revenue and associated cost is recognized upon successful onboarding of customer i.e. upfront.

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

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 recognized 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 recognized 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 recognized 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 recognized when the control of equipment is transferred to the customer i.e. transferred at a point in time.

- **Alternative performance measures (APM)-Exceptional items (Non – GAAP Measure)**

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 Group.

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, recognized 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, recognized in the profit and loss, except to the extent that it relates to items recognized 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 recognized 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 recognized in the profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized 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 recognized 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 recognized 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 recognized, 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 recognized 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 recognized if they arise from the initial recognition of goodwill.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Moreover, deferred tax is recognized 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 unrecognized 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 realized 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 recognized 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.
Average Revenue per user (ARPU)	Average revenue earned per user per month, which is derived by dividing total revenue during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Capital Expenditure	It is not a GAAP measure and is defined as investment in gross fixed assets (tangible and intangible excluding spectrum/license) and capital work in progress (CWIP) excluding provisions on CWIP for the period.
Capital Employed	It is not a GAAP 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 a GAAP 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	The total number of customer disconnections during the relevant period divided by the average customers in the relevant period.
Customer Base	Total number of subscribers that used any of our services (voice calls, SMS, data usage or Mobile Money transaction) in the last 30 days.
Data Customer Base	Total subscribers that consumed at least 1MB on the Group's GPRS, 3G or 4G network in the last 30 days.
Data Usage per Customer	The average data consumption per data subscriber on a monthly basis. It is calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period, and dividing the result by the number of months in the relevant period.
Earnings Per Basic Share	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.
Earnings Per Diluted Share	The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year. (i) Deferred shares have not been considered for EPS computation as they do not have right to participate in profits. (ii) The difference between the basic and diluted number of shares at the end of September 2019 being relates to awards committed but not yet issued under the Group's share-based payment schemes.
EBITDA	It is not a GAAP measure; it is defined as operating profit before depreciation, amortization, CSR cost and exceptional items.
EBITDA Margin	It is not a GAAP measure; It is computed by dividing EBITDA for the relevant period by total revenue for the relevant period.
EBIT	It is not a GAAP measure and is defined as EBITDA adjusted for depreciation and amortization.
Free Cash Flow	Free Cash Flow defined as Operating Free Cash Flow less cash interest, cash tax and change in operating working capital.

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 future lease payment obligation.
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	Total voice minutes used by customers on the Group's network during the relevant period.
Network Towers/Sites	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. Towers as referred to be revenue generating Towers.
Net Debt	It is not a GAAP measure and is defined as the long-term borrowings, short term borrowings and leased liability less cash and cash equivalents.
Net Debt to EBITDA (LTM)	It is not a GAAP measure and 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 not a GAAP measure and 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 a GAAP 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 Profit	It is a GAAP measure and is computed as Revenue less operating expenditure including depreciation & amortization and operating exceptional items.
Operating Free Cash flow	It is computed by subtracting Capital Expenditure from EBITDA.
Profit / (Loss) after current tax expense	It is not a GAAP 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.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total 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 (uploaded & downloaded) via our network during the relevant period.
Voice Minutes on Network	Includes usage on our network (incoming, outgoing and in-roaming minutes) during the relevant period.
Voice Minutes of Usage per Customer per month	Total voice minutes of usage the Group's network during the relevant period divided by the average number of customers during the same period, divided by the number of months in the relevant period.

Abbreviations

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
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
MI	Minority Interest (Non-Controlling Interest)
MB	Megabyte
GB	Gigabyte
ARPU	Average Revenue per user
pp	Percentage points
P2P	Person to Person

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