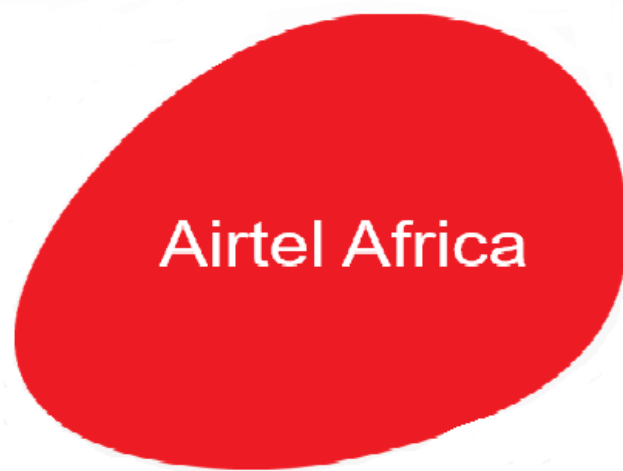


Quarterly report on the results for the second quarter and six months ended September 30, 2018

AIRTEL AFRICA



October 25, 2018

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

Supplemental Disclosures

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

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

Convenience translation: - We publish our financial statements in United States Dollars. All 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 quarter 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.

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

Further, disclosures are also provided under “7.2 Use of Non - GAAP Financial Information” on page 28

Use of IFRS measures: - In this report the term “IFRS” refers to financials in accordance to IFRS, with prior periods adjusted for sold / discontinued operations.

Others: In this report, the term “ongoing operations” refers to operations in Africa excluding for sold / divested units and certain investments. Further, “we”, “us”, “our”, “Airtel - Africa”, or “Africa”, unless otherwise specified or the context otherwise implies, refer to the Africa operations of Bharti Airtel Limited (“Bharti Airtel”) 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., 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), Tigo Rwanda Limited, Airtel Africa Limited (incorporated w.e.f. July 12, 2018).

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SECTION 1

AIRTEL AFRICA – PERFORMANCE AT A GLANCE

Particulars	Unit	Full Year Ended			Quarter Ended				
		IFRS			IFRS				
		2016	2017	2018	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
<u>Operating Highlights</u>									
Total Customer Base	000's	70,991	76,726	89,262	78,742	84,130	89,262	91,193	94,096
Total Minutes on Network	Mn Min	125,198	134,614	159,549	38,406	41,928	44,688	49,666	52,357
Data MBs	Mn MBs	61,899	125,101	237,563	57,933	65,544	69,705	77,811	88,808
Airtel Money Transaction Value	US\$ Mn	10,280	14,639	20,042	4,789	5,358	5,645	6,090	6,263
Network Towers	Nos	17,889	18,959	19,731	18,926	19,054	19,731	19,895	20,060
Total Employees	Nos	4,036	3,654	3,530	3,464	3,420	3,530	3,480	3,338
No. of countries of operation	Nos	14	14	14	14	14	14	14	14
Population Covered	Mn	315	351	357	354	355	357	359	364
<u>Consolidated Financials (US\$ Mn)</u>									
<u>Ongoing Operations</u>									
<u>(Reported Currency)</u>									
Total Revenue	US\$ Mn	3,385	3,047	3,067	779	793	773	786	808
EBITDA	US\$ Mn	689	733	1,024	258	281	277	286	299
EBIT	US\$ Mn	27	150	559	133	171	174	176	193
Cash profit from operations before Derivative & Exchange Fluctuations	US\$ Mn	360	430	689	173	218	172	218	221
Profit before Tax	US\$ Mn	(110)	(224)	165	7	74	58	115	61
Net income	US\$ Mn	(267)	(193)	(73)	(41)	(12)	17	143	64
Capex	US\$ Mn	708	395	419	50	75	250	49	106
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	(27)	339	605	208	206	28	237	194
Net Debt	US\$ Mn	7,747	7,100	7,261	7,210	7,170	7,261	7,221	5,952
Shareholder's Equity	US\$ Mn	931	108	(1,062)	(906)	(1,017)	(1,062)	(1,013)	221
Total Capital Employed	US\$ Mn	8,678	7,208	6,199	6,304	6,153	6,199	6,208	6,173
<u>Key Ratios</u>									
EBITDA Margin	%	20.4%	24.0%	33.4%	33.1%	35.4%	35.9%	36.3%	37.1%
EBIT Margin	%	0.8%	4.9%	18.2%	17.0%	21.6%	22.5%	22.4%	23.9%
Net Profit Margin	%	-7.9%	-6.3%	-2.4%	-5.2%	-1.6%	2.2%	18.1%	7.9%
Net Debt to EBITDA (LTM)	Times	11.39	9.67	7.09	8.62	7.70	7.09	6.55	5.21
Net Debt to EBITDA (Annualised)	Times	11.39	9.67	7.09	6.99	6.38	6.54	6.32	4.97
Interest Coverage ratio	Times	2.12	2.48	3.68	3.20	4.83	4.53	3.50	3.70
Return on Shareholder's Equity	%		-37.1%	-15.3%			-9.4%	11.1%	24.6%
Return on Capital employed	%		6.3%	2.8%			3.0%	6.2%	8.1%

SECTION 2

FINANCIAL HIGHLIGHTS

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

2.1 Africa Consolidated - Summary of Consolidated Financial Statements

2.1.1 Africa Consolidated Summarized Statement of Operations – Ongoing Operations (at Reported Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	808	779	4%	1,594	1,501	6%
EBITDA	299	258	16%	585	466	26%
<i>EBITDA / Total revenues</i>	<i>37.1%</i>	<i>33.1%</i>	<i>3.9%</i>	<i>36.7%</i>	<i>31.1%</i>	<i>6%</i>
EBIT	193	133	46%	369	214	72%
Finance cost (net)	132	130	2%	193	191	1%
Share of results of Associate	0	3	-100%	0	3	-100%
Profit before tax	61	7	815%	176	34	419%
Income tax expense	18	32	-44%	64	91	-30%
Profit after tax (before exceptional items)	43	(26)	269%	112	(57)	297%
Non Controlling Interest (before exceptional items)	7	3	121%	15	4	287%
Net income (before exceptional items)	36	(29)	223%	97	(61)	260%
Exceptional Items (net of tax)	(18)	14	-232%	(117)	20	-693%
Profit after tax (after exceptional items)	62	(40)	255%	229	(76)	399%
Non Controlling Interest	(2)	1	-363%	22	1	1804%
Net income	64	(41)	258%	207	(78)	366%
Capex	106	50	112%	155	94	65%
Operating Free Cash Flow (EBITDA - Capex)	194	208	-7%	430	372	16%
Total Capital Employed	6,173	6,304	-2%	6,173	6,304	-2%

Note 1: During the previous financial year, Airtel Africa had divested telecom operations in Ghana. For the above table, financial and operational parameters have been shown for remaining 14 countries and the historical periods have been re-instated to make them comparable.

2.1.2 Africa Consolidated Summarized Statement of Operations including sold/discontinued operations – (in Reported Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	808	809	0%	1,594	1,562	2%
EBITDA	299	260	15%	585	471	24%
<i>EBITDA / Total revenues</i>	<i>37.1%</i>	<i>32.2%</i>	<i>4.8%</i>	<i>36.7%</i>	<i>30.2%</i>	<i>7%</i>
EBIT	193	129	50%	369	207	78%
Finance cost (net)	132	130	1%	193	195	-1%
Share of results of Associate	0	3	-100%	0	3	-100%
Profit before tax	61	2	2519%	176	24	648%
Income tax expense	18	32	-45%	64	91	-30%
Profit after tax (before exceptional items)	43	(30)	244%	112	(68)	266%
Non Controlling Interest (before exceptional items)	7	3	121%	15	4	288%
Net income (before exceptional items)	36	(33)	207%	97	(71)	236%
Exceptional Items (net of tax)	(18)	14	-232%	(117)	20	-690%
Profit after tax (after exceptional items)	62	(44)	240%	229	(87)	362%
Non Controlling Interest	(2)	1	-364%	22	1	1823%
Net income	64	(45)	242%	207	(89)	333%
Capex	106	50	113%	155	97	59%
Operating Free Cash Flow (EBITDA - Capex)	194	211	-8%	430	374	15%
Total Capital Employed	6,173	6,530	-5%	6,173	6,530	-5%

2.1.3 Africa Consolidated Summarized Statement of Operations – Ongoing Operations (in Constant Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	824	743	11%	1,617	1,440	12%
EBITDA	305	246	24%	595	446	33%
<i>EBITDA / Total revenues</i>	<i>37.1%</i>	<i>33.1%</i>	<i>3.9%</i>	<i>36.8%</i>	<i>31.0%</i>	<i>6%</i>
EBIT	197	127	56%	376	205	84%
Finance cost (net)	77	83	-8%	142	165	-14%
Share of results of Associate	0	3	-100%	0	3	-100%
Profit before tax*	121	47	156%	233	51	356%
Income tax expense	18	32	-43%	65	90	-28%
Profit after tax (before exceptional items)	103	16	561%	168	(39)	532%
Non Controlling Interest (before exceptional items)	7	3	121%	15	4	287%
Net income (before exceptional items)	95	12	683%	153	(43)	458%
Exceptional Items (net of tax)	(18)	13	-242%	(117)	17	-771%
Profit after tax (after exceptional items)	121	3	4594%	285	(56)	606%
Non Controlling Interest	(2)	1	-363%	22	1	1804%
Net income	123	2	7244%	263	(58)	557%
Capex	106	50	112%	155	94	65%
Operating Free Cash Flow (EBITDA - Capex)	200	196	2%	440	352	25%
Total Capital Employed	6,173	6,304	-2%	6,173	6,304	-2%

*Derivative & Exchange fluctuation impact is excluded to calculate PBT in Constant Currency.

Note 2: Closing currency rates as on March 1, 2018 considered for above financial. Reported currency rates are taken for Capex & Capital Employed. Refer note 1 on page no. 5

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

Particulars	Amount in US\$ Mn	
	As at Sep 30, 2018	As at Mar 31, 2018
Assets		
Non-current assets	6,944	7,174
Current assets	1,086	963
Total assets	8,030	8,138
Liabilities		
Non-current liabilities	4,731	4,736
Current liabilities	3,278	4,695
Total liabilities	8,009	9,430
Equity & Non Controlling Interests		
Equity	221	(1,062)
Non controlling interests	(200)	(231)
Total Equity & Non Controlling Interests	21	(1,293)
Total Equity and liabilities	8,030	8,138

SECTION 3

REGION WISE – SUMMARY OF FINANCIAL STATEMENTS

Regional reporting includes all businesses of that geography.

3.1 Summarized Statement of Operations

3.1.1 Nigeria

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	276	253	9%	545	502	9%
EBITDA	114	80	42%	217	156	39%
<i>EBITDA / Total revenues</i>	<i>414%</i>	<i>317%</i>		<i>39.9%</i>	<i>31%</i>	
EBIT	85	42	101%	155	76	103%
Capex	30	6	383%	44	31	40%
Operating Free Cash Flow (EBITDA - Capex)	84	74	14%	174	125	39%

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	277	217	28%	547	428	28%
EBITDA	115	69	67%	218	133	64%
<i>EBITDA / Total revenues</i>	<i>414%</i>	<i>317%</i>		<i>39.9%</i>	<i>312%</i>	
EBIT	86	36	135%	155	65	139%
Capex	30	6	383%	44	31	40%
Operating Free Cash Flow (EBITDA - Capex)	85	63	35%	174	102	71%

Refer note 2 on page no. 6

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

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	295	277	7%	578	529	9%
EBITDA	99	93	6%	188	174	8%
<i>EBITDA / Total revenues</i>	33.4%	33.5%		32.5%	32.8%	
EBIT	55	40	37%	93	75	24%
Capex	53	19	172%	74	28	165%
Operating Free Cash Flow (EBITDA - Capex)	46	73	-37%	114	146	-22%

Refer note 1 on page no. 5

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	302	272	11%	588	522	13%
EBITDA	102	91	13%	192	170	13%
<i>EBITDA / Total revenues</i>	33.8%	33.3%		32.7%	32.6%	
EBIT	58	39	48%	97	73	32%
Capex	53	19	172%	74	28	165%
Operating Free Cash Flow (EBITDA - Capex)	49	71	-31%	119	142	-17%

Refer note 2 on page no. 6

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

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	241	251	-4%	480	479	0%
EBITDA	85	73	17%	166	133	25%
<i>EBITDA / Total revenues</i>	<i>35.4%</i>	<i>29.0%</i>		<i>34.5%</i>	<i>27.7%</i>	
EBIT	51	22	138%	80	28	182%
Capex	22	23	-2%	36	34	4%
Operating Free Cash Flow (EBITDA - Capex)	63	50	26%	130	98	32%

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	248	256	-3%	491	500	-2%
EBITDA	87	75	17%	169	139	22%
<i>EBITDA / Total revenues</i>	<i>35.2%</i>	<i>29.1%</i>		<i>34.5%</i>	<i>27.8%</i>	
EBIT	53	23	132%	82	32	160%
Capex	22	23	-2%	36	34	4%
Operating Free Cash Flow (EBITDA - Capex)	65	52	26%	133	105	27%

Refer note 2 on page no. 6

3.2 Region Wise Contribution (In Constant Currency)

Quarter Ended:

Amount in US\$ Mn, except ratios

Region	Quarter Ended Sep 2018					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	277	34%	115	38%	30	28%
East Africa	302	37%	102	33%	53	50%
Rest of Africa	248	30%	87	29%	22	21%
Sub Total	828	100%	304	100%	106	100%
Eliminations / Others	(4)	0%	1	0%	0	0%
Total (Africa)	824	100%	305	100%	106	100%

Refer note 2 on page no. 6

Six Months Ended:

Amount in US\$ Mn, except ratios

Region	Six Months Ended Sep 2018					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	547	34%	218	37%	44	28%
East Africa	588	36%	192	32%	74	48%
Rest of Africa	491	30%	169	28%	36	23%
Sub Total	1,626	101%	580	98%	155	100%
Eliminations / Others	(9)	-1%	15	2%	0	0%
Total (Africa)	1,617	100%	595	100%	155	100%

Refer note 2 on page no. 6

SECTION 4

PRODUCT WISE – SUMMARY OF FINANCIAL STATEMENTS

4.1 Mobile - Summarized Statement of Operations

4.1.1 Africa Consolidated Summarized Statement of Operations – Ongoing Operations (14 OPCOs)

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	769	744	3%	1,516	1,441	5%
EBITDA	278	235	18%	534	445	20%
<i>EBITDA / Total revenues</i>	<i>36.1%</i>	<i>31.6%</i>		<i>35.2%</i>	<i>30.9%</i>	
EBIT	172	95	81%	294	166	78%
Capex	102	48	113%	150	93	61%
Operating Free Cash Flow (EBITDA - Capex)	176	187	-6%	384	352	9%

Refer note 1 on page no. 5

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	784	709	11%	1,538	1,381	11%
EBITDA	283	223	27%	542	426	27%
<i>EBITDA / Total revenues</i>	<i>36.1%</i>	<i>31.5%</i>		<i>35.3%</i>	<i>30.8%</i>	
EBIT	176	89	98%	299	155	93%
Capex	102	48	113%	150	93	61%
Operating Free Cash Flow (EBITDA - Capex)	181	176	3%	392	332	18%

Refer note 1 on page no.5 and note. 2 on page no. 6

4.1.2 Nigeria

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	275	253	9%	542	502	8%
EBITDA	113	80	41%	215	156	38%
<i>EBITDA / Total revenues</i>	<i>41%</i>	<i>31%</i>		<i>39.7%</i>	<i>31%</i>	
EBIT	84	42	98%	153	76	100%
Capex	30	6	383%	44	31	40%
Operating Free Cash Flow (EBITDA - Capex)	83	74	12%	171	125	37%

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	276	217	27%	544	428	27%
EBITDA	114	69	65%	216	133	62%
<i>EBITDA / Total revenues</i>	<i>41%</i>	<i>31%</i>		<i>39.7%</i>	<i>31%</i>	
EBIT	84	36	132%	153	65	136%
Capex	30	6	383%	44	31	40%
Operating Free Cash Flow (EBITDA - Capex)	84	63	34%	172	102	69%

Refer note 2 on page no. 6

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

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	269	255	6%	524	487	8%
EBITDA	87	85	2%	164	160	3%
<i>EBITDA / Total revenues</i>	32.2%	33.3%		31.3%	32.8%	
EBIT	44	33	31%	72	63	14%
Capex	50	19	162%	71	28	154%
Operating Free Cash Flow (EBITDA - Capex)	37	66	-44%	94	132	-29%

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	275	250	10%	533	480	11%
EBITDA	89	83	8%	168	156	8%
<i>EBITDA / Total revenues</i>	32.5%	33.1%		31.6%	32.5%	
EBIT	46	32	43%	74	61	23%
Capex	50	19	162%	71	28	154%
Operating Free Cash Flow (EBITDA - Capex)	40	64	-38%	98	128	-24%

Refer note 1 on page no.5 and note 2 on page no.6

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

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	228	241	-5%	455	460	-1%
EBITDA	78	70	11%	154	129	19%
<i>EBITDA / Total revenues</i>	<i>34.2%</i>	<i>29.1%</i>		<i>33.9%</i>	<i>28.1%</i>	
EBIT	45	19	129%	70	26	164%
Capex	22	23	-3%	35	34	3%
Operating Free Cash Flow (EBITDA - Capex)	56	48	18%	119	95	25%

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
Total revenues	235	246	-4%	466	481	-3%
EBITDA	80	72	11%	158	136	16%
<i>EBITDA / Total revenues</i>	<i>34.0%</i>	<i>29.2%</i>		<i>33.8%</i>	<i>28.3%</i>	
EBIT	46	21	122%	72	30	142%
Capex	22	23	-3%	35	34	3%
Operating Free Cash Flow (EBITDA - Capex)	58	49	18%	122	102	20%

Refer Note No. 2 on page no. 6

4.2 Mobile - Region Wise Contribution (In Constant Currency)

Quarter Ended:

Amount in US\$ Mn, except ratios

Region	Quarter Ended Sep 2018					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	276	35%	114	40%	30	29%
East Africa	275	35%	89	32%	50	49%
Rest of Africa	235	30%	80	28%	22	21%
Sub Total	787	100%	283	100%	102	100%
Eliminations / Others	(2)	0%	0	0%	0	0%
Total (Africa)	784	100%	283	100%	102	100%

Refer Note No. 2 on page no. 6

Six Months Ended:

Amount in US\$ Mn, except ratios

Region	Six Months Ended Sep 2018					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	544	35%	216	40%	44	29%
East Africa	533	35%	168	31%	71	47%
Rest of Africa	466	30%	158	29%	35	24%
Sub Total	1,544	100%	542	100%	150	100%
Eliminations / Others	(6)	0%	0	0%	0	0%
Total (Africa)	1,538	100%	542	100%	150	100%

Refer Note No. 2 on page no. 6

4.3 Airtel Money - Summarized Statement of Operations

4.3.1 Africa Consolidated Summarized Statement of Operations – Ongoing Operations (14 OPCOs)

In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		
	Sep-18	Jun-18	Q-on-Q Growth
Total revenues	53	50	8%
EBITDA	20	16	25%
<i>EBITDA / Total revenues</i>	<i>38.3%</i>	<i>32.9%</i>	
EBIT	19	15	32%
Capex	3	0	581%
Operating Free Cash Flow (EBITDA - Capex)	17	16	9%

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		
	Sep-18	Jun-18	Q-on-Q Growth
Total revenues	55	50	9%
EBITDA	21	17	28%
<i>EBITDA / Total revenues</i>	<i>38.6%</i>	<i>33.0%</i>	
EBIT	20	15	36%
Capex	3	0	581%
Operating Free Cash Flow (EBITDA - Capex)	18	16	12%

Refer Note No. 2 on page no. 6

4.4 Product Wise Contribution (In Constant Currency)

Quarter Ended:

Amount in US\$ Mn, except ratios

Products	Quarter Ended Sep 2018					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile	784	95%	283	93%	102	96%
Airtel Money	55	7%	21	7%	3	3%
Sub Total	839	102%	304	100%	106	100%
Eliminations / Others	(16)	-2%	1	0%	0	0%
Total (Africa)	824	100%	305	100%	106	100%

Refer Note No. 2 on page no. 6

Six Months Ended:

Amount in US\$ Mn, except ratios

Products	Six Months Ended Sep 2018					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile	1,538	95%	542	91%	150	97%
Airtel Money	106	7%	38	6%	4	2%
Sub Total	1,643	102%	580	98%	155	100%
Eliminations / Others	(26)	-2%	15	2%	0	0%
Total (Africa)	1,617	100%	595	100%	155	100%

Refer Note No. 2 on page no. 6

SECTION 5

OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, Revenue per Site, Gross revenue per employee per month, Personnel cost per employee per month are based on IFRS.

5.1 Africa – Operational Performance

5.1.1 Africa Operational Performance (Ongoing Operations)

Parameters	Unit	Sep-18	Jun-18	Q-on-Q Growth	Sep-17	Y-on-Y Growth
Customer Base	000's	94,096	91,193	3.2%	78,742	19.5%
Net Additions	000's	2,903	1,930	50.4%	1,881	54.3%
Monthly Churn	%	4.8%	4.9%		4.7%	
Average Revenue Per User (ARPU)	US\$	3.0	2.9	1.3%	3.2	-6.8%
Voice						
Voice Revenue	\$ Mn	517	500	3.4%	496	4.1%
Minutes on the network	Mn	52,357	49,666	5.4%	38,406	36.3%
Voice Average Revenue Per User (ARPU)	US\$	1.9	1.8	1.0%	2.1	-12.5%
Voice Usage per customer	min	189	183	2.9%	164	14.6%
Data						
Data Revenue	\$ Mn	180	170	6.0%	138	30.4%
Data Customer Base	000's	27,113	26,376	2.8%	20,529	32.1%
As % of Customer Base	%	28.8%	28.9%		26.1%	
Total MBs on the network	Mn MBs	88,808	77,811	14.1%	57,933	53.3%
Data Average Revenue Per User (ARPU)	US\$	2.3	2.2	2.8%	2.4	-4.8%
Data Usage per customer	MBs	1,113	1,006	10.7%	994	11.9%
Airtel Money						
Transaction Value	\$ Mn	6,263	6,090	2.8%	4,789	30.8%
Transaction Value per Sub	US\$	163	168	-2.9%	180	-9.1%
Airtel Money Revenue	\$ Mn	55	50	9.5%	35	56.2%
Active Customers	000's	12,943	11,816	9.5%	9,259	39.8%
Airtel Money ARPU	US\$	1.4	1.4	3.3%	1.3	8.6%
Network & coverage						
Network towers	Nos	20,060	19,895	165	18,926	1,134
Owned Towers	Nos	4,449	4,377	72	4,186	263
Leased Towers	Nos	15,611	15,518	93	14,740	871
Of which Mobile Broadband towers	Nos	15,280	14,653	627	12,709	2,571
Total Mobile Broadband Base stations	Nos	26,338	23,754	2,584	15,575	10,763
Revenue Per Site Per Month	US\$	13,717	13,326	2.9%	12,902	6.3%

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6

5.2 Nigeria Operational Performance

Parameters	Unit	Sep-18	Jun-18	Q-on-Q Growth	Sep-17	Y-on-Y Growth
Customer Base	000's	34,181	32,613	4.8%	27,903	22.5%
Net Additions	000's	1,568	878	78.5%	567	176.7%
Monthly Churn	%	4.4%	4.8%		4.8%	
Average Revenue Per User (ARPU)	US\$	2.8	2.8	-0.3%	2.6	5.9%
Voice						
Voice Revenue	\$ Mn	185	184	0.2%	153	20.4%
Minutes on the network	Mn	14,592	14,396	1.4%	10,464	39.4%
Voice Average Revenue Per User (ARPU)	US\$	1.9	1.9	-3.0%	1.9	-0.3%
Voice Usage per customer	min	146	149	-1.9%	127	15.5%
Data						
Data Revenue	\$ Mn	63.0	57.6	9.4%	42.1	49.8%
Data Customer Base	000's	12,810	12,087	6.0%	9,553	34.1%
As % of Customer Base	%	37.5%	37.1%		34.2%	
Total MBs on the network	Mn MBs	43,067	35,928	19.9%	31,891	35.0%
Data Average Revenue Per User (ARPU)	US\$	1.7	1.7	2.1%	1.6	6.8%
Data Usage per customer	MBs	1,153	1,030	11.9%	1,197	-3.7%
Network & coverage						
Network towers	Nos	7,618	7,452	166	7,361	257
Owned Towers	Nos	258	235	23	270	(12)
Leased Towers	Nos	7,360	7,217	143	7,091	269
Of which Mobile Broadband towers	Nos	5,997	5,705	292	5,646	351
Total Mobile Broadband Base stations	Nos	8,311	6,651	1,660	5,646	2,665
Revenue Per Site Per Month	US\$	12,268	12,074	1.6%	9,741	25.9%

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6.

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

Parameters	Unit	Sep-18	Jun-18	Q-on-Q Growth	Sep-17	Y-on-Y Growth
Customer Base	000's	41,265	40,043	3.1%	33,200	24.3%
Net Additions	000's	1,222	1,085	12.7%	809	51.0%
Monthly Churn	%	5.0%	4.4%		4.6%	
Average Revenue Per User (ARPU)	US\$	2.5	2.4	2.6%	2.8	-10.4%
Voice						
Voice Revenue	\$ Mn	169	154	9.3%	159	6.2%
Minutes on the network	Mn	30,428	28,171	8.0%	21,585	41.0%
Voice Average Revenue Per User (ARPU)	US\$	1.4	1.3	6.3%	1.6	-14.2%
Voice Usage per customer	min	249	237	5.0%	219	13.9%
Data						
Data Revenue	\$ Mn	73	72	1.5%	58	24.9%
Data Customer Base	000's	10,252	10,411	-1.5%	8,070	27.0%
As % of Customer Base	%	24.8%	26.0%		24.3%	
Total MBs on the network	Mn MBs	36,620	33,801	8.3%	21,149	73.2%
Data Average Revenue Per User (ARPU)	US\$	2.4	2.3	3.8%	2.5	-3.8%
Data Usage per customer	MBs	1,203	1,086	10.8%	903	33.3%
Network & coverage						
Network towers	Nos	8,204	8,214	(10)	7,389	815
Owned Towers	Nos	2,447	2,423	24	2,187	260
Leased Towers	Nos	5,757	5,791	(34)	5,202	555
Of which Mobile Broadband towers	Nos	6,358	6,176	182	4,762	1,596
Total Mobile Broadband Base stations	Nos	13,367	12,562	805	6,779	6,588
Revenue Per Site Per Month	US\$	12,220	11,639	5.0%	11,969	2.1%

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6.

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

Parameters	Unit	Sep-18	Jun-18	Q-on-Q Growth	Sep-17	Y-on-Y Growth
Customer Base	000's	18,650	18,537	0.6%	17,639	5.7%
Net Additions	000's	113	(33)	447.3%	505	-77.6%
Monthly Churn	%	5.4%	6.0%		4.9%	
Average Revenue Per User (ARPU)	US\$	4.5	4.3	2.4%	4.9	-9.4%
Voice						
Voice Revenue	\$ Mn	168	166	1.2%	189	-11.2%
Minutes on the network	Mn	7,337	7,099	3.4%	6,357	15.4%
Voice Average Revenue Per User (ARPU)	US\$	3.0	3.0	1.2%	3.6	-16.9%
Voice Usage per customer	min	132	127	3.4%	122	8.0%
Data						
Data Revenue	\$ Mn	44	40	9.1%	38	17.2%
Data Customer Base	000's	4,052	3,878	4.5%	2,907	39.4%
As % of Customer Base	%	21.7%	20.9%		16.5%	
Total MBs on the network	Mn MBs	9,121	8,082	12.9%	4,893	86.4%
Data Average Revenue Per User (ARPU)	US\$	3.7	3.6	3.4%	4.6	-20.0%
Data Usage per customer	MBs	761	712	7.0%	598	27.3%
Network & coverage						
Network towers	Nos	4,238	4,229	9	4,176	62
Owned Towers	Nos	1,744	1,719	25	1,729	15
Leased Towers	Nos	2,494	2,510	(16)	2,447	47
Of which Mobile Broadband towers	Nos	2,925	2,772	153	2,301	624
Total Mobile Broadband Base stations	Nos	4,660	4,541	119	3,150	1,510
Revenue Per Site Per Month	US\$	19,522	19,167	1.9%	20,257	-3.6%

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6

SECTION 6

MANAGEMENT DISCUSSION AND ANALYSIS

6.1 Key Company Developments

- Subsequent to the balance sheet date, six leading global investors comprising **Warburg Pincus, Temasek, Singtel, SoftBank Group International and others** have agreed to invest **USD 1.25 billion** in **Airtel Africa Limited**, a subsidiary of the Company and holding entity of Africa operations of the Group, through a primary equity issuance.
- During the Quarter Airtel has completed substantial **Network Modernization** to cater Data Coverage and capacity in Zambia, Gabon, Seychelles and Nigeria. With this Modernization, Airtel now provide U 900 in 11 OPCOs and 4G Services in 10 OPCOs
- **DRC:** In May 2018, the regulator has invited operators to apply for 4G license. Airtel has acquired 4G License along with 10 MHz spectrum in 800 MHz. The 800MHz will be available to Airtel by end of 2018.
- Airtel Niger has been awarded as **the best promoter of digital services** by the President.
- Airtel Uganda has been recognized by **Digital Impact Awards**, Africa as the Best Technology Brand on Social Media, Best Digital Customer Experience by Technology Brand, Best Saving and Lending Product (Digital driven), Best Professional, Legal and Regulatory brand.

6.2 Results of Operations

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

Key Highlights – For the quarter ended September 30, 2018

- Overall customer base at 94 Mn across 14 countries (up 19.5% Y-o-Y)
- Net addition of 15 Mn customers over the previous year
- Consolidated mobile data traffic at 88.8 Bn MBs (up 53.3% Y-o-Y)
- Total revenues of \$ 824 Mn; up 10.8% Y-o-Y
- EBITDA at \$ 305 Mn; up 24.0% Y-o-Y; EBITDA margin up 3.9% Y-o-Y
- EBIT at \$ 197 Mn; up 56% Y-o-Y
- Return on Capital Employed (ROCE) at 8.1%

Results for the quarter ended September 30, 2018

6.2.1 Airtel Africa Consolidated

In Africa, exchange rates have been largely stable except for Zambian Kwacha which has seen currency depreciation versus the US dollar. To enable comparison on an underlying basis, all financials up to PBT and all operating metrics mentioned below are in constant currency rates as of March 1, 2018 and are adjusted for divestment of operating units for all the periods i.e. the comparison till PBT has been given below for 14 countries. PBT as mentioned below excludes any realized/unrealized derivatives and exchange gain or loss for the period.

As on September 30, 2018, the company had an aggregate customer base of 94.1 Mn as compared to 78.7 Mn in the corresponding quarter last year, an increase of 19.5%. Customer churn for the quarter has remained flat at 4.8% as compared to 4.7% in the corresponding quarter last year. Total minutes on network during the quarter registered a growth of 36.3% to 52 Bn as compared to 38.4 Bn in the corresponding quarter last year.

Data customers during the quarter increased by 6.6 Mn to 27.1 Mn as compared to 20.5 Mn in the corresponding quarter last

year. Data customers now represent 28.8% of the total customer base, as compared to 26.1% in the corresponding quarter last year. The total MBs on the network grew at a healthy growth rate of 53.3% to 88.8 Bn MBs compared to 57.9 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 1113 MBs as compared to 994 MBs in the corresponding quarter last year, an increase of 12%.

The total customer base using the Airtel Money platform increased by 39.8% to 12.9 Mn as compared to 9.3 Mn in the corresponding quarter last year. Total value of transactions on the Airtel money platform has witnessed a growth of 30.8% to \$ 6,263 Mn in the current quarter as compared to \$ 4,789 Mn in the corresponding quarter last year. Airtel Money revenue is at \$55 Mn as compared to \$50 Mn in last quarter (June 30, 2018) reflecting a growth of 9.5%.

The company had 20,060 network towers at end of the quarter as compared to 18,926 network towers in the corresponding quarter last year. 3G has been rolled out in 14 countries and 4G across 10 countries. Out of the total number of towers, 15,280 are mobile broadband towers. The company has total 26,338 mobile broadband base stations as compared to 15,575 mobile

broadband base stations at the end of the corresponding quarter last year.

Africa revenues at \$824 Mn grew by 10.8% as compared to \$ 743 Mn in the corresponding quarter last year. Increase in data & Airtel Money penetration led to faster net revenue growth of 13.2%.

Our continued investments in data capacities and sustained base growth have led to higher opex at \$ 360 Mn as compared to \$ 339 Mn in the corresponding quarter last year. EBITDA was at \$305 Mn as compared to \$246 Mn in the corresponding quarter last year. EBITDA margin improved significantly by 3.9% and was at its highest ever level of 37.1% for the quarter. Depreciation and amortization charges were at \$107 Mn as compared to \$119 Mn in the corresponding quarter last year. EBIT for the quarter was at \$197 Mn as compared to \$127 Mn in the corresponding quarter last year.

The resultant profit before tax and exceptional items for the quarter was at \$121 Mn as compared to \$47 Mn in the corresponding quarter last year.

On reported basis, after accounting for the finance costs and taxes, the net income for the quarter was \$ 64 Mn as compared to a loss of \$41 Mn in the corresponding quarter last year.

Capital expenditure during the quarter was \$106 Mn for African operations, largely on account of investment in data capacities and network modernization. Operating free cash flow during the quarter was at \$200 Mn, as compared to \$196 Mn in the corresponding quarter last year.

6.2.2 Exceptional Items

Exceptional gain during the quarter ended September 30, 2018 was \$18.4 Mn (net of Tax) largely on account gain on reassessment of tax provisions; partially offset by charge towards network re-farming/ up-gradation program

6.2.3 Region wise – Africa

6.6.3.1 Nigeria

As on September 30, 2018, Nigeria had a customer base of 34.1 Mn as compared to 27.9 Mn in corresponding quarter last year, an increase of 22.5%. Customer churn for the quarter at 4.4% reflects an improvement as compared to 4.8% in corresponding quarter last year.

Voice revenue at \$185 Mn reflects a growth of 20.4% as compared to \$153 Mn in the corresponding quarter last year which is largely driven by minutes on network growth of 39.4% to 14.6 Bn as compared to 10.5 Bn in corresponding quarter last year.

Data revenue at \$63 Mn reflects a growth of 49.8% as compared to \$42 Mn in the corresponding quarter last year mainly driven by data customer growth of 34.1% to 12.8 Mn as compared to 9.5 Mn in corresponding quarter last year. Also total MBs on network

grew at a healthy rate of 35.0% to 43.1 Bn MBs as compared to 31.9 Bn MBs in corresponding quarter last year.

Total network towers at 7,618 at the end of the quarter as compared to 7,361 network towers in the corresponding quarter last year. The mobile broadband base stations were 8,311 as compared to 5,646 in corresponding quarter last year.

For the quarter ended September 30, 2018, revenues from Nigeria were at \$277 Mn reflecting a healthy growth of 27.9%, as compared to \$217 Mn in corresponding quarter last year mainly driven by customer growth of 22.5%. Overall ARPU for the quarter was \$2.8 as compared to \$2.6 in corresponding quarter last year.

EBITDA for the quarter was at \$115 Mn as compared to \$69 Mn in corresponding quarter last year. EBITDA margin surged to 41.4% as compared to 31.7% in corresponding quarter last year. EBIT was at \$86 Mn as compared to \$36 Mn in the corresponding quarter last year.

During the quarter, Nigeria has incurred a capex of \$30 Mn, primarily on network expansion and up gradation. The operating free cash flow for the quarter was \$85 Mn as compared to \$63 Mn in corresponding quarter last year.

6.6.3.2 East Africa

As on September 30, 2018, East Africa region had a customer base of 41.3 Mn as compared to 33.2 Mn in corresponding quarter last year, reflecting a growth of 24.3%. Customer churn for the quarter was 5.0% as compared to 4.6% in corresponding quarter last year. The increase in churn is largely contributed by customer disconnections related to stringent KYC regulation in one of the operations.

Voice revenue at \$169 Mn reflects a growth of 6.2% as compared to \$159 Mn in corresponding quarter last year which is largely driven by minutes on network growth of 41.0% at 30.4 Bn as compared to 21.6 Bn in corresponding quarter last year.

Data revenue at \$72.8 Mn reflects a growth of 24.9% as compared to \$58.3 Mn in corresponding quarter last year mainly driven by total MBs on network growth of 73.2% at 36.6 Bn MBs as compared to 21.1 Bn MBs in corresponding quarter last year. Also data customer grew by 27% at 10.3 Mn as compared to 8.1 Mn in corresponding quarter last year.

Total network towers at 8,204 at the end of the quarter as compared to 7,389 network towers in the corresponding quarter last year. The mobile broadband base stations were 13,367 as compared to 6,779 in corresponding quarter last year.

For the quarter ended September 30, 2018, revenue from East Africa region were at \$302 Mn reflecting a growth of 10.9% as compared to \$272 Mn in the corresponding quarter last year which is mainly driven by customer growth of 24.3%.

EBITDA for the quarter was at \$102 Mn as compared to \$91 Mn in corresponding quarter last year. EBITDA margin for the quarter

was 33.8% as compared to 33.3% in corresponding quarter last year. EBIT was at \$58 Mn as compared to \$39 Mn in the corresponding quarter last year.

During the quarter, East Africa incurred a capex of \$53 Mn primarily on network expansion. The operating free cash flow for the quarter was \$49 Mn as compared to \$71 Mn in corresponding quarter last year.

6.6.3.3 Rest of Africa

As on September 30, 2018, Rest of Africa had a customer base of 18.7 Mn as compared to 17.6 Mn in corresponding quarter last year reflecting a growth of 5.7%. Customer churn for the quarter was at 5.4% as compared to 4.9% in corresponding quarter last year.

Voice revenue at \$168 Mn reflects a drop of 11.2% as compared to \$189 Mn in corresponding quarter last year which is largely driven by decline in ARPU.

Data revenue at \$44 Mn reflects a growth of 17.2% as compared to \$37.6 Mn in corresponding quarter last year mainly driven by data customer base growth of 39.4% at 4 Mn as compared to 2.9 Mn in corresponding quarter last year. Also total MBs on network grew by 86.4% at 9.1 Bn MBs as compared to 4.9 Bn MBs in corresponding quarter last year.

Total network towers at 4,238 at the end of the quarter as compared to 4,176 network towers in the corresponding quarter last year. The mobile broadband base stations were 4,660 as compared to 3,150 in corresponding quarter last year.

For the quarter ended September 30, 2018, revenue from Rest of Africa region were at \$248 Mn, reflecting a decline of 3.1% as compared to \$256 Mn in the corresponding quarter last year.

EBITDA for the quarter was at \$87 Mn as compared to \$75 Mn in the corresponding quarter last year. The improvement in EBITDA is largely contributed by various opex initiatives undertaken during the quarter as part of the 'war on waste' initiative. EBITDA

margin for the quarter was at 35.2% as compared to 29.1% in corresponding quarter last year. EBIT was at \$53 Mn as compared to \$23 Mn in the corresponding quarter last year.

During the quarter, Rest of Africa incurred a capex of \$22 Mn primarily on network infrastructure and data capacities. The operating free cash flow for the quarter was at \$65 Mn as compared to \$52 Mn in corresponding quarter last year.

6.6.4 Product wise Africa

6.6.4.1 Mobile services:

During the quarter ended September 30, 2018, revenue from Mobile services were at \$784 Mn reflecting a healthy growth of 10.6% as compared to \$709 Mn in the corresponding quarter last year which is largely driven by customer growth of 19.5%.

EBITDA for the quarter was at \$283 Mn as compared to \$223 Mn in corresponding quarter last year. EBITDA margin for the quarter surged to 36.1% as compared to 31.5% in corresponding quarter last year. EBIT was at \$176 Mn as compared to \$89 Mn in the corresponding quarter last year.

During the quarter, total capex incurred was at \$102 Mn primarily on network expansion and modernization. The operating free cash flow for the quarter was at \$181 Mn as compared to \$176 Mn in corresponding quarter last year.

6.6.4.2 Airtel Money

During the quarter ended September 30, 2018 revenue from Airtel Money were at \$55 Mn reflecting a sequential growth of 9% as compared to \$50 Mn in last quarter (June 30, 2018). The growth is largely driven by customer growth of 9.5%. Transaction value for the quarter was at \$6,263 Mn reflecting a growth of 2.8% as compared to \$6,090 Mn in last quarter.

Airtel Money EBITDA for the quarter was at \$21 Mn as compared to \$17 Mn in previous quarter. EBITDA margin for the quarter was 38.6% as compared to 33.0% in previous quarter. EBIT for the quarter was at \$20 Mn compared to \$15 Mn in the previous quarter.

SECTION 7

DETAILED FINANCIAL AND RELATED INFORMATION

7.1 Summarized Extracts from Audited Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) for ongoing operations (14 Opco)s

7.1.1 Airtel Africa Statement of Income

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
<i>Amount in US\$ Mn, except ratios</i>						
Income						
Revenue	808	779	4%	1,594	1,501	6%
Other income	6	4	51%	17	8	102%
Total	814	782	4%	1,611	1,509	7%
Expenses						
Network operating expenses	174	172	1%	337	348	-3%
Access Charges	85	95	-10%	171	192	-11%
License fee and spectrum charges	47	44	5%	92	92	0%
Employee benefits	53	58	-9%	116	117	-1%
Sales and marketing expenses	82	74	11%	157	148	6%
Other expenses	75	82	-8%	155	147	5%
Total	516	525	-2%	1,028	1,044	-2%
Profit from operating activities before depreciation, amortization and exceptional items	298	258	16%	583	465	25%
Depreciation and amortisation	105	124	-16%	214	251	-15%
Finance costs	137	133	3%	201	199	1%
Finance income	(5)	(3)	42%	(8)	(7)	15%
Non-operating income / expenses, (net)	-	(0)	-100%	-	(8)	-100%
Share of results of joint ventures and associates	(0)	(3)	-100%	(0)	(3)	-100%
Profit before exceptional items and tax	61	8	703%	176	34	414%
Exceptional items	12	15	-18%	30	22	37%
Profit before tax	49	(7)	-802%	146	13	1067%
Tax expense						
Current tax	9	25	-62%	37	69	-47%
Deferred tax	(22)	7	-413%	(120)	20	-701%
Profit for the period	62	(40)	-255%	229	(76)	-401%

7.1.2 Airtel Africa Statement of Comprehensive Income

Particulars	Quarter Ended			Six Months Ended		
	Sep-18	Sep-17	Y-on-Y Growth	Sep-18	Sep-17	Y-on-Y Growth
	<i>Amount in US\$ Mn, except ratios</i>					
Profit for the period	62	(40)	255%	229	(76)	401%
Other comprehensive income ('OCI'):						
Items to be reclassified subsequently to profit or loss :						
Net gains / (losses) due to foreign currency translation differences	(79)	9	-959%	(195)	1	-33825%
Gains / (losses) on net investments hedge	0	(18)	101%	28	(46)	160%
Gains / (Losses) on cash flow hedge	(2)	(0)	-4191%	(10)	(1)	-1597%
	(81)	(8)	-864%	(177)	(46)	-284%
Other comprehensive income / (loss) for the period	(81)	(9)	-800%	(177)	(46)	-285%
Total comprehensive income / (loss) for the period	(19)	(48)	60%	52	(122)	143%
Profit for the period Attributable to:	62	(40)	-256%	229	(77)	399%
Owners of the Parent	64	(41)	-258%	207	(78)	366%
Non-controlling interests	(2)	1	-361%	22	1	1805%
Other comprehensive income / (loss) for the period attributable to :	(81)	(9)	-800%	(177)	(46)	-285%
Owners of the Parent	(78)	(7)	-1102%	(174)	(42)	-310%
Non-controlling interests	(2)	(2)	-51%	(3)	(3)	1%
Total comprehensive income / (loss) for the period attributable to :	(19)	(48)	60%	52	(122)	143%
Owners of the Parent	(22)	(47)	52%	9	(120)	108%
Non-controlling interests	(5)	(1)	-610%	19	(2)	948%

7.1.3 Airtel Africa Summarized Balance Sheet

Amount in US\$ Mn

Particulars	As at Sep 30, 2018	As at Sep 30, 2017	As at Mar 31, 2018
Assets			
Non-current assets			
Property, plant and equipment (including CWIP)	1,994	1,950	2,084
Intangible assets	4,535	5,000	4,801
Investment in joint ventures and associates	3	3	3
Financial Assets			
Other financial assets	38	279	39
Deferred tax assets (net)	332	259	202
Other non-current assets	42	38	46
	6,944	7,529	7,174
Current assets			
Financial Assets			
- Trade receivables	129	160	111
- Cash and bank balance	666	294	453
- Others	149	66	256
Other current assets	142	200	143
	1,086	721	963
Total Assets	8,030	8,249	8,138
Equity and liabilities			
Equity attributable to owners of the Parent	221	-906	-1,062
Non-controlling interests ('NCI')	-200	-252	-231
	21	-1,158	-1,293
Non-current liabilities			
Financial Liabilities			
- Borrowings	4,464	5,824	4,488
- Others	151	28	121
Deferred tax liabilities (net)	45	33	42
Other non-current liabilities	71	90	85
	4,731	5,975	4,736
Current liabilities			
Financial Liabilities			
- Borrowings	1,842	1,499	2,951
- Trade Payables	725	967	754
- Others	372	472	564
Current tax liabilities (net)	42	80	77
Other current liabilities	298	415	348
	3,278	3,433	4,695
Total liabilities	8,009	9,408	9,430
Total equity and liabilities	8,030	8,249	8,138

7.1.4 Airtel Africa Summarized Statement of Cash Flow

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Cash flows from operating activities				
Profit before tax	49	(7)	146	13
Adjustments for -				
Depreciation and amortisation	105	124	214	251
Finance income	(5)	(3)	(8)	(7)
Finance cost	137	133	201	199
Share of results of joint venture and associate	(0)	(3)	(0)	(3)
Other non-cash items	21	13	41	21
Operating cash flow before changes in working capital	307	256	594	472
Changes in working capital -				
Trade receivables	1	(4)	(14)	(25)
Trade payables	(29)	74	(70)	101
Other assets and liabilities	(133)	(111)	(125)	(150)
Net cash generated from operations before tax and dividend	147	215	384	397
Income tax paid	(16)	(27)	(63)	(54)
Net cash generated from operating activities (a)	131	188	322	343
Cash flows from investing activities				
Purchase of PPE	(104)	(49)	(273)	(110)
Purchase of intangible assets	(34)	(24)	(56)	(32)
Proceed on sale of Assets - Tower co sale proceed	39	1	41	29
Interest received	6	0	8	1
Net cash (used in) / generated from investing activities (b)	(93)	(71)	(280)	(112)
Cash flows from financing activities				
Acquisition of Non controlling interest	(74)	0	(74)	0
Proceeds from borrowings	88	49	575	583
Repayment of borrowings	(115)	(125)	(182)	(608)
Proceeds from sale and finance lease back of towers	21	2	22	18
Repayment of finance lease liabilities	(12)	(14)	(23)	(30)
Dividend paid to non - controlling interests	(3)	0	(4)	(2)
Interest and other finance charges paid	(38)	(60)	(126)	(145)
Net cash (used in) / generated from financing activities (c)	(132)	(149)	188	(183)
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	(94)	(32)	229	49
Effect of exchange rate on cash and cash equivalents	(6)	(1)	(2)	(2)
Cash and cash equivalents as at beginning of the period	383	(26)	56	(105)
Cash and cash equivalents as at end of the period	283	(59)	283	(59)

7.2 Use of Non-GAAP Financial Information

In presenting and discussing the Company'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.

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

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit from operating activities before depreciation, amortization and exceptional items	Page 30
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit from operating activities before depreciation, amortization and exceptional items	Page 30
Capex	Refer glossary	NA
Operating free cash flow	Refer glossary	NA
Net Debt	Refer glossary	NA
Capital Employed	Refer glossary	NA

7.2.1 Reconciliation of Non-GAAP financial information based on IFRS

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Profit / (loss) from operating activities before depreciation, amortization and exceptional items To EBITDA				
Profit / (Loss) from Operating Activities	298	258	583	465
Add: CSR Costs	1	1	2	1
EBITDA	299	258	585	466
Profit / (loss) from operating activities before depreciation, amortization and exceptional items to Cash Profit from Operations before Derivative & Exchange Fluctuation				
Profit / (Loss) from Operating Activities	298	258	583	465
Less: Finance cost (net) (Refer below)	132	130	193	191
Add: Derivatives and exchange (gain)/loss	55	45	50	26
Cash Profit from Operations before Derivative & Exchange Fluctuation	221	173	440	299
Reconciliation of Finance Cost				
Finance Cost	137	133	201	199
Less: Finance Income	(5)	(3)	(8)	(7)
Finance Cost (net)	132	130	193	191

SECTION 8

NET DEBT AND COST SCHEDULES

8.1 Africa – Consolidated Schedule of Net Debt in reported currency (Ongoing Operations)

Particulars	<i>Amount in US\$ Mn</i>		
	As at Sep 30, 2018	As at Sep 30, 2017	As at Mar 31, 2018
Long term borrowing, net of current portion	3,910	5,078	3,877
Short-term borrowings and current portion of long-term borrowing	1,765	1,472	2,880
Less:			
Cash and Cash Equivalents	439	102	238
Net Debt	5,236	6,448	6,519
Finance Lease Obligation	716	762	742
Net Debt including Finance Lease Obligations	5,952	7,210	7,261

8.2 Africa – Consolidated Schedule of Finance Cost in reported currency (Ongoing Operations)

Particulars	<i>Amount in US\$ Mn, except ratios</i>			
	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Interest on borrowings & Finance charges	61	67	111	132
Interest on Finance Lease Obligation	20	20	40	40
Investment (income)/ loss	(5)	(3)	(8)	(7)
Finance cost excluding Derivatives & Forex	77	84	143	165
Add : Derivatives and exchange (gain)/ loss	55	45	50	26
Finance cost (net of Derivatives & Forex)	132	130	193	191

8.3 Africa Schedule of Operating Expenses (Ongoing Operations – In Constant Currency)

Particulars	<i>Amount in US\$ Mn, except ratios</i>			
	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Access charges	87	89	172	180
Cost of goods sold	27	27	54	49
Licence fees, revenue share & spectrum charges	48	44	93	92
Network operations costs	178	165	342	331
Employee costs	58	58	124	120
Selling, general and administration expense	126	116	251	228
Operating Expenses	523	500	1,037	1,000

Refer note 2 on page no. 6

8.4 Africa Schedule of Depreciation & Amortization (Ongoing Operations – In Constant Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Depreciation	88	95	178	192
Amortization	19	24	38	48
Depreciation & Amortization	107	119	217	240

Refer note 2 on page no. 6

8.5 Africa Schedule of Income Tax (Ongoing Operations – In Constant Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Current tax expense	30	25	59	70
Deferred tax expense / (income)	(12)	7	7	20
Income tax expense	18	32	65	90

Refer note 2 on page no. 6

8.6 Africa Schedule of Operating Expenses (Ongoing Operations – Reported Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Access charges	85	95	171	192
Cost of goods sold	26	27	53	49
Licence fees, revenue share & spectrum charges	47	44	92	92
Network operations costs	175	175	338	350
Employee costs	56	60	123	122
Selling, general and administration expense	126	123	252	240
Operating Expenses	516	525	1,028	1,044

8.7 Africa Schedule of Depreciation & Amortization (Ongoing Operations – Reported Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Depreciation	86	99	176	199
Amortization	19	26	38	51
Depreciation & Amortization	105	124	214	251

8.8 Africa Schedule of Income Tax (Ongoing Operations – Reported Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-18	Sep-17	Sep-18	Sep-17
Current tax expense	29	25	57	70
Deferred tax expense / (income)	(11)	7	7	20
Income tax expense	18	32	64	91

SECTION 9

TRENDS AND RATIO ANALYSIS

9.1 Based on Statement of Operations

9.1.1 Africa: Ongoing Operations (In USD Reported Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	808	786	773	793	779
Access charges	85	85	85	95	95
Cost of goods sold	26	27	25	24	27
Net revenues	696	674	662	675	656
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	356	354	344	354	357
Licence Fee	47	45	46	42	44
EBITDA	299	286	277	281	258
Cash Profit from operations before Derivative and Exchange Flucations	221	218	172	218	173
EBIT	193	176	174	171	133
Share of results of associate	0	0	(0)	0	3
Profit before Tax	61	115	58	74	7
Profit after Tax (before exceptional items)	43	69	16	47	(26)
Non Controlling Interest (before exceptional items)	7	7	26	16	3
Net income (before exceptional items)	36	61	(9)	31	(29)
Exceptional items (net)	(18)	(99)	(18)	53	14
Profit after Tax (after exceptional items)	62	167	34	(6)	(40)
Non Controlling Interest	(2)	25	17	6	1
Net income	64	143	17	(12)	(41)
Capex	106	49	250	75	50
Operating Free Cash Flow (EBITDA - Capex)	194	237	28	206	208
Total Capital Employed	6,173	6,208	6,199	6,153	6,304

	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
As a % of Total revenues					
Access charges	10.6%	10.8%	11.0%	11.9%	12.2%
Cost of goods sold	3.3%	3.4%	3.3%	3.0%	3.5%
Net revenues	86.2%	85.8%	85.7%	85.0%	84.3%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	44.1%	45.1%	44.6%	44.7%	45.9%
Licence Fee	5.8%	5.7%	6.0%	5.3%	5.7%
EBITDA	37.1%	36.3%	35.9%	35.4%	33.1%
Cash Profit from operations before Derivative and Exchange Flucations	27.4%	27.8%	22.2%	27.5%	22.2%
EBIT	23.9%	22.4%	22.5%	21.6%	17.0%
Share of results of associate	0.0%	0.0%	0.0%	0.0%	0.4%
Profit before Tax	7.6%	14.6%	7.5%	9.3%	0.9%
Profit after Tax (before exceptional items)	5.4%	8.7%	2.1%	5.9%	-3.3%
Non Controlling Interest (before exceptional items)	0.9%	1.0%	3.3%	2.0%	0.4%
Net income (before exceptional items)	4.4%	7.8%	-1.2%	3.9%	-3.7%
Exceptional items (net)	-2.3%	-12.5%	-2.3%	6.7%	1.8%
Profit after Tax (after exceptional items)	7.6%	21.3%	4.5%	-0.8%	-5.1%
Non Controlling Interest	-0.3%	3.2%	2.2%	0.8%	0.1%
Net income	7.9%	18.1%	2.2%	-1.6%	-5.2%

Refer Note No. 1&2 on page no. 5

9.1.2 Africa: Ongoing Operations (In USD Constant Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	824	794	772	767	743
Access charges	87	86	85	90	89
Cost of goods sold	27	27	25	24	27
Net revenues	710	681	661	654	627
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	360	355	342	341	339
Licence Fee	48	45	46	42	44
EBITDA	305	289	277	272	246
Cash Profit from operations before Derivative and Exchange Flucations	228	222	171	210	162
EBIT	197	178	173	166	127
Share of results of associate	0	0	(0)	0	3
Profit before Tax (before exceptional items)*	121	113	69	106	47
Profit after Tax (before exceptional items)	103	65	28	80	16
Non Controlling Interest (before exceptional items)	7	7	26	16	3
Net income (before exceptional items)	95	58	2	64	12
Exceptional items (net)	(18)	(99)	(18)	47	13
Profit after Tax (after exceptional items)	121	164	46	33	3
Non Controlling Interest	(2)	25	17	6	1
Net income	123	140	29	27	2
Capex	106	49	250	75	50
Operating Free Cash Flow (EBITDA - Capex)	200	240	27	197	196
Total Capital Employed	6,173	6,208	6,199	6,153	6,304

	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
As a % of Total revenues					
Access charges	10.5%	10.8%	11.1%	11.7%	12.0%
Cost of goods sold	3.3%	3.4%	3.3%	3.1%	3.6%
Net revenues	86.2%	85.8%	85.7%	85.2%	84.4%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	43.8%	44.7%	44.3%	44.4%	45.6%
Licence Fee	5.8%	5.7%	6.0%	5.4%	5.9%
EBITDA	37.1%	36.4%	35.9%	35.5%	33.1%
Cash Profit from operations before Derivative and Exchange Flucations	27.6%	28.0%	22.2%	27.4%	21.8%
EBIT	24.0%	22.5%	22.5%	21.7%	17.1%
Share of results of associate	0.0%	0.0%	0.0%	0.0%	0.4%
Profit before Tax	14.7%	14.2%	8.9%	13.8%	6.3%
Profit after Tax (before exceptional items)	12.5%	8.2%	3.6%	10.4%	2.1%
Non Controlling Interest (before exceptional items)	0.9%	0.9%	3.3%	2.1%	0.5%
Net income (before exceptional items)	11.6%	7.3%	0.3%	8.4%	1.6%
Exceptional items (net)	-2.2%	-12.5%	-2.3%	6.2%	1.7%
Profit after Tax (after exceptional items)	14.7%	20.7%	5.9%	4.2%	0.3%
Non Controlling Interest	-0.3%	3.1%	2.2%	0.8%	0.1%
Net income	15.0%	17.6%	3.7%	3.5%	0.2%

*Derivative & Exchange fluctuation impact is excluded to calculate PBT in Constant Currency. Refer Note No. 1 on page 5 and note 2 on page 6.

9.2 Based on Region Wise Statement of Operations

9.2.1 Nigeria

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	276	269	259	275	253
EBITDA	114	103	100	91	80
<i>EBITDA / Total revenues</i>	<i>414%</i>	<i>38.4%</i>	<i>38.5%</i>	<i>33.1%</i>	<i>317%</i>
EBIT	85	70	69	54	42
Capex	30	14	111	45	6
Operating Free Cash Flow (EBITDA - Capex)	84	89	(11)	46	74

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	277	270	260	243	217
EBITDA	115	103	100	81	69
<i>EBITDA / Total revenues</i>	<i>414%</i>	<i>38.4%</i>	<i>38.5%</i>	<i>33.2%</i>	<i>317%</i>
EBIT	86	70	69	48	36
Capex	30	14	111	45	6
Operating Free Cash Flow (EBITDA - Capex)	85	90	(11)	36	63

Refer Note No. 2 on page no. 6

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

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	295	283	273	278	277
EBITDA	99	89	84	92	93
<i>EBITDA / Total revenues</i>	33.4%	31.4%	30.7%	32.9%	33.5%
EBIT	55	38	40	54	40
Capex	53	21	95	16	19
Operating Free Cash Flow (EBITDA - Capex)	46	68	(11)	75	73

Refer Note No. 2 on page no. 5

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	302	286	273	280	272
EBITDA	102	90	84	92	91
<i>EBITDA / Total revenues</i>	33.8%	31.6%	30.7%	32.9%	33.3%
EBIT	58	39	40	54	39
Capex	53	21	95	16	19
Operating Free Cash Flow (EBITDA - Capex)	49	69	(11)	76	71

Refer Note No. 2 on page no. 6

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

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	241	239	245	244	251
EBITDA	85	80	96	85	73
<i>EBITDA / Total revenues</i>	35.4%	33.6%	39.4%	34.8%	29.0%
EBIT	51	29	46	25	22
Capex	22	14	44	11	23
Operating Free Cash Flow (EBITDA - Capex)	63	67	53	74	50

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	248	243	244	249	256
EBITDA	87	82	96	86	75
<i>EBITDA / Total revenues</i>	35.2%	33.7%	39.3%	34.8%	29.1%
EBIT	53	30	45	25	23
Capex	22	14	44	11	23
Operating Free Cash Flow (EBITDA - Capex)	65	68	52	76	52

Refer Note No. 2 on page no. 6

9.3 Based on Product Wise Statement of Operations

9.3.1 Mobile - Summarized Statement of Operations

9.3.1.1 Africa Mobile: Ongoing Operations

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	769	747	736	757	744
EBITDA	278	256	265	254	235
<i>EBITDA / Total revenues</i>	<i>36.1%</i>	<i>34.3%</i>	<i>36.0%</i>	<i>33.5%</i>	<i>316%</i>
EBIT	172	122	140	121	95
Capex	102	48	248	71	48
Operating Free Cash Flow (EBITDA - Capex)	176	208	16	183	187

Refer Note No. 1 & 2 on page no. 4

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	784	754	735	731	709
EBITDA	283	259	264	245	223
<i>EBITDA / Total revenues</i>	<i>36.1%</i>	<i>34.4%</i>	<i>36.0%</i>	<i>33.6%</i>	<i>315%</i>
EBIT	176	123	140	116	89
Capex	102	48	248	71	48
Operating Free Cash Flow (EBITDA - Capex)	181	211	16	174	176

Refer Note No. 1 on page 5 and note 2 on page 6

9.3.1.2 Nigeria Mobile

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	275	268	258	275	253
EBITDA	113	102	99	91	80
<i>EBITDA / Total revenues</i>	<i>41.1%</i>	<i>38.2%</i>	<i>38.3%</i>	<i>33.0%</i>	<i>318%</i>
EBIT	84	69	68	54	42
Capex	30	14	111	45	6
Operating Free Cash Flow (EBITDA - Capex)	83	88	(12)	46	74

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	276	268	259	243	217
EBITDA	114	103	99	80	69
<i>EBITDA / Total revenues</i>	<i>41%</i>	<i>38.2%</i>	<i>38.3%</i>	<i>33.1%</i>	<i>31.8%</i>
EBIT	84	69	68	48	36
Capex	30	14	111	45	6
Operating Free Cash Flow (EBITDA - Capex)	84	89	(12)	35	63

Refer Note No. 2 on page no. 5

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

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	269	255	247	253	255
EBITDA	87	78	74	82	85
<i>EBITDA / Total revenues</i>	<i>32.2%</i>	<i>30.4%</i>	<i>30.1%</i>	<i>32.5%</i>	<i>33.3%</i>
EBIT	44	28	32	46	33
Capex	50	21	94	15	19
Operating Free Cash Flow (EBITDA - Capex)	37	57	(19)	67	66

Refer Note No. 2 on page no. 4

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	275	258	247	255	250
EBITDA	89	79	74	83	83
<i>EBITDA / Total revenues</i>	<i>32.5%</i>	<i>30.6%</i>	<i>30.1%</i>	<i>32.5%</i>	<i>33.1%</i>
EBIT	46	29	32	46	32
Capex	50	21	94	15	19
Operating Free Cash Flow (EBITDA - Capex)	40	58	(19)	68	64

Refer Note No. 1 on page 5 and note 2 on page 6

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

In USD Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	228	227	234	232	241
EBITDA	78	76	91	81	70
<i>EBITDA / Total revenues</i>	34.2%	33.6%	39.1%	34.8%	29.1%
EBIT	45	25	41	21	19
Capex	22	14	44	11	23
Operating Free Cash Flow (EBITDA - Capex)	56	63	48	70	48

In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Total revenues	235	231	232	237	246
EBITDA	80	78	91	82	72
<i>EBITDA / Total revenues</i>	34.0%	33.7%	39.0%	34.8%	29.2%
EBIT	46	26	40	22	21
Capex	22	14	44	11	23
Operating Free Cash Flow (EBITDA - Capex)	58	64	47	72	49

Refer Note No. 2 on page no. 5

9.4 Operational Performance Trends

9.4.1 Africa - Operational Performance

Parameters	Unit	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Customer Base	000's	94,096	91,193	89,262	84,130	78,742
Net Additions	000's	2,903	1,930	5,133	5,388	1,881
Monthly Churn	%	4.8%	4.9%	4.1%	4.1%	4.7%
Average Revenue Per User (ARPU)	US\$	3.0	2.9	3.0	3.2	3.2
Voice						
Voice Revenue	\$ Mn	517	500	497	507	496
Minutes on the network	Mn	52,357	49,666	44,688	41,928	38,406
Voice Average Revenue Per User (ARPU)	US\$	1.9	1.8	1.9	2.1	2.1
Voice Usage per customer	min	189	183	172	172	164
Data						
Data Revenue	\$ Mn	180	170	158	149	138
Data Customer Base	000's	27,113	26,376	24,941	23,324	20,529
As % of Customer Base	%	28.8%	28.9%	27.9%	27.7%	26.1%
Total MBs on the network	Mn MBs	88,808	77,811	69,705	65,544	57,933
Data Average Revenue Per User (ARPU)	US\$	2.3	2.2	2.2	2.3	2.4
Data Usage per customer	MBs	1,113	1,006	963	997	994
Airtel Money						
Transaction Value	US\$ Mn	6,263	6,090	5,645	5,358	4,789
Transaction Value per Subs	US\$	163	168	170	182	180
Airtel Money Revenue	\$ Mn	55	50	46	40	35
Active Customers	000's	12,943	11,816	11,465	10,449	9,259
Airtel Money ARPU	US\$	1.4	1.4	1.4	1.4	1.3
Network & coverage						
Network towers	Nos	20,060	19,895	19,731	19,054	18,926
Owned towers	Nos	4,449	4,377	4,397	4,181	4,186
Leased towers	Nos	15,611	15,518	15,334	14,873	14,740
Of which Mobile Broadband towers	Nos	15,280	14,653	13,725	12,933	12,709
Total Mobile Broadband Base stations	Nos	26,338	23,754	20,093	16,863	15,575
Revenue Per site Per Month	US\$	13,717	13,326	13,237	13,423	12,902

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6.

9.4.2 Nigeria - Operational Performance

Parameters	Unit	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Customer Base	000's	34,181	32,613	31,734	30,911	27,903
Net Additions	000's	1,568	878	823	3,008	567
Monthly Churn	%	4.4%	4.8%	5.1%	3.1%	4.8%
Average Revenue Per User (ARPU)	US\$	2.8	2.8	2.8	2.8	2.6
Voice						
Voice Revenue	\$ Mn	185	184	183	174	153
Minutes on the network	Mn	14,592	14,396	13,660	12,833	10,464
Voice Average Revenue Per User (ARPU)	US\$	1.9	1.9	1.9	2.0	1.9
Voice Usage per customer	min	146	149	145	147	127
Data						
Data Revenue	\$ Mn	63	58	52	46	42
Data Customer Base	000's	12,810	12,087	11,161	10,694	9,553
<i>As % of Customer Base</i>	%	37.5%	37.1%	35.2%	34.6%	34.2%
Total MBs on the network	Mn MBs	43,067	35,928	34,324	34,452	31,891
Data Average Revenue Per User (ARPU)	US\$	1.7	1.7	1.6	1.5	1.6
Data Usage per customer	MBs	1,153	1,030	1,045	1,140	1,197
Network & coverage						
Network towers	Nos	7,618	7,452	7,413	7,363	7,361
<i>Owned towers</i>	Nos	258	235	228	269	270
<i>Leased towers</i>	Nos	7,360	7,217	7,185	7,094	7,091
Of which Mobile Broadband towers	Nos	5,997	5,705	5,663	5,652	5,646
Total Mobile Broadband Base stations	Nos	8,311	6,651	5,932	5,652	5,646
Revenue Per site Per Month	US\$	12,268	12,074	11,693	10,966	9,741

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6.

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

Parameters	Unit	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Customer Base	000's	41,265	40,043	38,958	35,072	33,200
Net Additions	000's	1,222	1,085	3,886	1,872	809
Monthly Churn	%	5.0%	4.4%	2.6%	4.5%	4.6%
Average Revenue Per User (ARPU)	US\$	2.5	2.4	2.5	2.7	2.8
Voice						
Voice Revenue	\$ Mn	169	154	150	161	159
Minutes on the network	Mn	30,428	28,171	24,913	22,684	21,585
Voice Average Revenue Per User (ARPU)	US\$	1.4	1.3	1.3	1.6	1.6
Voice Usage per customer	min	249	237	224	222	219
Data						
Data Revenue	\$ Mn	73	72	67	64	58
Data Customer Base	000's	10,252	10,411	10,070	9,153	8,070
As % of Customer Base	%	24.8%	26.0%	25.8%	26.1%	24.3%
Total MBs on the network	Mn MBs	36,620	33,801	28,694	25,280	21,149
Data Average Revenue Per User (ARPU)	US\$	2.4	2.3	2.3	2.5	2.5
Data Usage per customer	MBs	1,203	1,086	997	992	903
Network & coverage						
Network towers	Nos	8,204	8,214	8,126	7,520	7,389
Owned towers	Nos	2,447	2,423	2,439	2,200	2,187
Leased towers	Nos	5,757	5,791	5,687	5,320	5,202
Of which Mobile Broadband towers	Nos	6,358	6,176	5,624	4,936	4,762
Total Mobile Broadband Base stations	Nos	13,367	12,562	10,419	7,831	6,779
Revenue Per site Per Month	US\$	12,220	11,639	11,587	12,462	11,969

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6.

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

Parameters	Unit	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Customer Base	000's	18,650	18,537	18,570	18,146	17,639
Net Additions	000's	113	(33)	424	507	505
Monthly Churn	%	5.4%	6.0%	5.7%	5.2%	4.9%
Average Revenue Per User (ARPU)	US\$	4.5	4.3	4.4	4.6	4.9
Voice						
Voice Revenue	\$ Mn	168	166	168	176	189
Minutes on the network	Mn	7,337	7,099	6,114	6,411	6,357
Voice Average Revenue Per User (ARPU)	US\$	3.0	3.0	3.1	3.3	3.6
Voice Usage per customer	min	132	127	111	119	122
Data						
Data Revenue	\$ Mn	44	40	40	39	38
Data Customer Base	000's	4,052	3,878	3,710	3,477	2,907
<i>As % of Customer Base</i>	%	21.7%	20.9%	20.0%	19.2%	16.5%
Total MBs on the network	Mn MBs	9,121	8,082	6,687	5,812	4,893
Data Average Revenue Per User (ARPU)	US\$	3.7	3.6	3.7	3.9	4.6
Data Usage per customer	MBs	761	712	622	581	598
Network & coverage						
Network towers	Nos	4,238	4,229	4,192	4,171	4,176
<i>Owned towers</i>	Nos	1,744	1,719	1,730	1,712	1,729
<i>Leased towers</i>	Nos	2,494	2,510	2,462	2,459	2,447
Of which Mobile Broadband towers	Nos	2,925	2,772	2,438	2,345	2,301
Total Mobile Broadband Base stations	Nos	4,660	4,541	3,742	3,380	3,150
Revenue Per site Per Month	US\$	19,522	19,167	19,387	19,804	20,257

KPIs in Constant Currency rates. Refer Note No. 2 on page no. 6.

SECTION 10

KEY ACCOUNTING POLICIES (AS PER IFRS)

- **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building	20
Network equipment	3-20
Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Computer equipment	3
Furniture & Fixture and office equipment	2 – 5
Vehicles	3 – 5
Leasehold improvements	Period of the lease or 10/20 years, as applicable, whichever is less
Leasehold Land	Period of the lease

Land is not depreciated. 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.

Costs of additions and substantial improvements to property and equipment are capitalized. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

- **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition.

Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the Income statement on disposal.

- **Other Intangible assets**

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits

attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

The intangible assets that are acquired in a business combination are recognized at its fair value there at. Other intangible assets are recognized at cost. These assets having finite 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 years to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the Income statement in the period such cost is incurred.

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

- c. **Bandwidth:** Bandwidth is amortized over the period of the agreement.

- d. **Other acquired intangible assets:** Other acquired intangible assets include the following:

Distribution network: One year to two years

Customer base: 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 borrowing costs that are directly attributable to the acquisition or construction of qualifying assets and are presented separately in the balance sheet.

- **Investment in Joint Ventures and Associates**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

Accounting policies of the respective joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under IFRS. The Group's investments in its joint ventures and associate are accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Losses of a joint venture or an associate in excess of the Group's interest in that joint venture or associate are not recognized. However, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures or 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.

- **Finance leases - Lessee accounting**

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease. Assets acquired under finance leases are capitalized at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognized in the Income statement) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not immediately recognized instead the asset leased back is retained at its carrying value and the amount received towards the leased back portion is recorded as a finance lease obligation. However, in case it results in an operating lease, any profit or loss is recognized immediately provided the transaction occurs at fair value.

- **Indefeasible right to use (IRU)**

The Group enters into 'Indefeasible right to use' arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease.

The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

Exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.

- **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 re-measured at their fair value, with changes in fair value being recognized in the Income statement within finance income / finance costs.

- **Hedging activities**

i. Fair value hedge

Some of the group entities use certain type of derivative financial instruments (viz. 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 rate swaps to hedge the risk of changes in fair value of recognized borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income statement within finance income / finance costs, together with any changes in the fair value of the hedged liability that are 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

The Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to a recognized item or a highly probable forecast transaction. 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 the other comprehensive income and held in Cash flow hedge reserve. Any gains / (losses) relating to the ineffective portion, are recognized immediately in the Income statement. The amounts accumulated in Equity are re-classified to the Income statement in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a 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 when the forecast transaction is ultimately recognized in the Income statement. 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 Income statement.

iii. Net investment hedge

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income and held in foreign currency translation reserve, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the Income statement. The amounts accumulated

in equity are included in the Income statement when the foreign operation is disposed or partially disposed.

- **Revenue recognition**

Effective April 1, 2018, the Company has adopted IFRS 15 "Revenue from Contracts with Customers" basis the cumulative effect method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard was insignificant on these financial statements.

Revenue is recognised upon transfer of control of promised products or services to customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. In order to determine if it is acting as a principal or as an agent, the Company assesses whether it is primarily responsible for fulfilling the performance obligation.

(i) Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging and value added services. It also includes revenue towards interconnection/roaming charges for usage of the Company's network by other operators for voice, data, messaging and signaling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognised upon successful onboarding of customer i.e. upfront.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the Balance Sheet whereas unbilled revenue is recognised under other current financial assets.

Certain business' services revenue include income from registration and installation, which are amortized over the period of agreement since the date of activation of service.

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

(ii) Multiple element arrangements

The Company 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 separate rate performance obligations.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices.

(iii) Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separate performance obligation, revenue is recognised over the customer relationship period.

Interest income

The interest income is recognised using the Effective interest rate ('EIR') method.

Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

- **Exceptional items**

Exceptional items refer to items of income or expense within the Income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their Separate disclosure is considered necessary to explain the performance of the Group.

- **Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the Income statement. 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).

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 (USD) (functional currency of parent) at the exchange rates prevailing at the reporting date whereas their Income statement are translated into USD at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in FCTR. 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**

Income 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.

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

deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - 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.

- **Transactions with non-controlling interests**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The differences between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in 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 Towers	Average towers are derived by computing the average of the Opening and Closing towers for the relevant period
Capex	It is not an IFRS measure and is defined as investment in gross fixed assets (tangible and intangible) and capital work in progress for the period.
Capital Employed	It is not an IFRS measure and is defined as sum of shareholder's equity and net debt.
Cash Profit From Operations before Derivative & Exchange Fluctuation	It is not an IFRS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for finance cost (net of finance income) before adjusting for derivative & exchange (gain)/ loss.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Customer Base	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G / 4G network in the last 30 days.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
Data Customer Base	A customer who used at least 1 MB on GPRS / 3G / 4G network in the last 30 days.
Data Usage per Customer	It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period.
EBITDA	It is not an IFRS measure and is defined as profit from operating activities before interest, tax, depreciation, amortization and exceptional items and after reducing CSR cost.
EBITDA Margin	It is not an IFRS measure and is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	It is not an IFRS measure and is defined as EBITDA adjusted for depreciation and amortization.
Finance Lease Obligation (FLO)	Finance Lease Obligation represents present value of future obligation for assets taken on finance lease.
Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.

Mobile Broadband Base stations	It includes all the 3G and 4G Base stations deployed across all technologies/ Spectrum bands.
Mobile Broadband Towers	It means the total number of network towers (defined below) in which unique number of either 3G or 4G Base stations are deployed, irrespective of their technologies. Total numbers of Mobile Broadband Towers are subset of Total Network Towers.
Minutes of Usage	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
Network Towers	Comprises of Base Transmission System (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not an IFRS measure and is defined as the long-term borrowings (net of current portion) plus short-term borrowings plus current portion of long-term borrowings minus cash and cash equivalents. The debt origination cost and fair value hedge are not included in the borrowings.
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to EBITDA (Annualized)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized).
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges and cost of goods sold for the relevant period.
Net profit margin	It is computed by dividing Cash Profit From Operations before Derivative & Exchange Fluctuation by total revenue.
Operating Free Cash flow	It is computed by subtracting capex from EBITDA.
Profit / (Loss) after current tax expense	It is not an IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
On Going Operations	In this report, the term "ongoing operations" refers to operations in African countries excluding for sold / divested units/countries and FTVPL investments. It refers to operations in 14 countries namely Nigeria, Kenya, Uganda, Rwanda, Tanzania, Malawi, Zambia, Niger, Gabon, T Chad, Congo, DRC, Madagascar, Seychelles
Return On Capital Employed (ROCE)	For the full year ended ROCE is computed by dividing the sum of net profit and finance cost (net) excluding finance charges and interest on FLO for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) excluding finance charges and interest on FLO 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 average (of opening and 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 average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.
Total Employees	Total on-roll employees as at the end of respective period and excludes 42% of Indus Towers employees in India.

Total MBs on Network	Includes total MBs consumed on the network (uploaded & downloaded) on our network during the relevant period.
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to be revenue generating Towers.
Voice Minutes on Network	Includes usage on our network (incoming, outgoing & in-roaming minutes) during the relevant period.
Voice Minutes of Usage per Customer per month	It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.

Regulatory & Others

3G	Third - Generation Technology
4G	Fourth - Generation Technology
LTM	Last twelve months.
Mn	Million
GAAP	Generally Accepted Accounting Principles
KYC	Know Your Customer
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
PPE	Property, Plant and equipment

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