

Airtel Africa plc

Nine-month period ended 31 December 2019

28 January 2020

Eighth consecutive quarter of double-digit revenue growth and EBITDA margin expansion in constant currency

Key Highlights

- Customer base grew by 9.4% to 107.1 Mn
- Revenue increased by 9.9% to \$ 2,522 Mn for the nine-month period ended 31 December 2019, with Q3'20 revenue growth increasing to 12.8%
- In constant currency terms, revenue grew by 12.4% during the nine-month period ended 31 December 2019 and 14.2% in Q3'20. This was the 8th consecutive quarter of double-digit constant currency growth.
- Growth was recorded across all services, with revenue in Voice, Data and Mobile Money up by 3.9%, 39.0% and 40.4% respectively in constant currency
- Underlying EBITDA was \$1,118 Mn for the nine-month period, up 13.2%, while constant currency underlying EBITDA growth was 15.5% over the same period
- Underlying EBITDA margin in reported currency was 44.3%, an increase of 129 bps, while there was an increase of 121 bps in constant currency terms
- Operating profit increased by 21.3% and was up 23.7% in constant currency
- Free cash flow almost doubled to \$ 391 Mn in the period
- EPS before exceptional items was \$ 5.8¢ and Basic EPS was \$ 8.6¢
- Net debt to EBITDA was 2.2x, compared to 3.2x as of December 2018

Alternative Performance Measures (Nine-month period ended)					GAAP Measures (Nine-month period ended)			
Description	Dec-19	Dec-18	Reported	Constant	Description	Dec-19	Dec-18	Reported
	\$ Mn	\$ Mn	Change %	Change %		\$ Mn	\$ Mn	Change %
Revenue	2,522	2,296	9.9%	12.4%	Revenue	2,522	2,296	9.9%
Underlying EBITDA	1,118	988	13.2%	15.5%	Operating Profit	657	542	21.3%
Underlying EBITDA Margin	44.3%	43.0%	129 bps	121 bps	Profit Before Tax	501	227	120.6%
Free Cash Flow	391	206	90.4%		Profit After Tax	331	338	(2.2%)
EPS before exceptional items (\$ cents)	5.8	11.5	(50.1%)		Basic EPS (\$ cents)	8.6	18.6	(53.6%)
EPS before exceptional items (\$ cents)-Restated ⁽¹⁾	5.4	5.0	7.1%		Basic EPS (\$ cents)-Restated ⁽¹⁾	8.1	8.1	(0.3%)

⁽¹⁾ In July 2019, following the announcement of the Initial Public Offering, the company issued 676,406,927 new shares. EPS has been restated considering all the shares as at 31 December 2019 had been issued on 1st April 2018 for like for like comparison. ⁽²⁾ The difference between reported currency and constant currency growth rates is on account of currency movements with reference to the US dollar rate.

Raghunath Mandava, Chief Executive Officer, commented on the trading update:

"Today I am pleased to announce another set of strong results which further demonstrate our on-going ability to deliver against the opportunities offered by the markets in which we operate. Our financial performance in Q3 was strong as we delivered double-digit revenue growth in both reported and constant currency. Revenue growth accelerated in Q3 to 14.2% as a result of improved performance in the Rest of Africa, supported by solid results in Nigeria and East Africa. This is now the eighth consecutive quarter that we have delivered double digit revenue growth and EBITDA margin expansion in constant currency.

Revenue growth continues to be broad-based across voice, data and mobile money. We have continued to add customers, up 9.4% this quarter, contributing to an increase in voice revenue. We are also increasingly seeing the success of our strategy to lead in the roll-out of our modernised 4G networks, with more than 40% increase in data revenues for the quarter. Alongside this, a focus on increasing the number of use cases through international partnerships for our mobile money offer as well as increasing the distribution footprint have helped gain further acceptance of airtel money.

On a market specific basis, Nigeria has been leading our growth with double digit voice revenue growth and over 70% data growth as a result of our lead in 4G rollouts and the huge data capacities we are creating.

We operate in dynamic underpenetrated markets, with good opportunities for continued growth. These results give me confidence that we have the right strategy to continue to deliver against these opportunities."

Key Financial information

Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
P&L Summary									
Revenue⁽¹⁾	\$ Mn	2,522	2,296	9.9%	12.4%	883	783	12.8%	14.2%
Voice Revenue	\$ Mn	1,463	1,440	1.6%	3.9%	506	487	4.0%	5.3%
Data Revenue	\$ Mn	677	496	36.3%	39.0%	243	174	39.8%	41.3%
Mobile Money Revenue ⁽²⁾	\$ Mn	228	167	36.3%	40.4%	82	64	27.5%	30.6%
Other Revenue	\$ Mn	224	240	(6.6%)	(4.6%)	76	82	(7.6%)	(6.3%)
Expenses	\$ Mn	(1,419)	(1,330)	6.7%	9.3%	(488)	(449)	8.7%	10.2%
Underlying EBITDA	\$ Mn	1,118	988	13.2%	15.5%	399	339	17.5%	18.9%
Underlying EBITDA Margin	%	44.3%	43.0%	129 bps	121 bps	45.2%	43.3%	184 bps	178 bps
Depreciation & Amortization	\$ Mn	(453)	(388)	16.8%	19.3%	(154)	(136)	13.6%	14.6%
Operating Exceptional Items	\$ Mn	(4)	(55)	(93.1%)	(93.0%)	18	(25)	(172.7%)	(174.1%)
Operating Profit⁽³⁾	\$ Mn	657	542	21.3%	23.7%	262	178	47.1%	48.9%
Net finance costs	\$ Mn	(225)	(282)	(20.3%)	(20.0%)	(76)	(65)	18.2%	19.0%
Non-Operating Exceptional Items	\$ Mn	69	(8)	995.3%	995.3%	-	(8)	(100.0%)	(100.0%)
Profit Before Tax⁽⁴⁾	\$ Mn	501	227	120.6%	129.6%	186	105	77.5%	81.3%
Tax	\$ Mn	(210)	(77)	172.5%	194.4%	(95)	(13)	618.5%	610.8%
Tax - Exceptional items	\$ Mn	40	188	(79.0%)	(79.1%)	12	41	(71.2%)	(71.9%)
Total Tax Charge	\$ Mn	(170)	111	253.4%	248.5%	(83)	28	392.2%	394.9%
Profit After Tax	\$ Mn	331	338	(2.2%)	(1.0%)	103	133	(22.5%)	(20.9%)
Non Controlling Interest	\$ Mn	(26)	(32)	(20.0%)	(21.1%)	(13)	(10)	30.8%	33.6%
Profit attributable to parent company shareholder - pre Exceptional items	\$ Mn	203	190	7.1%	10.3%	63	116	(45.5%)	(43.9%)
Profit attributable to parent company shareholder	\$ Mn	305	306	(0.3%)	1.1%	90	123	(26.7%)	(25.1%)
Basic EPS - pre Exceptional items	\$ Cents	5.8	11.5	(50.1%)		1.7	4.5	(62.5%)	
Basic EPS - pre Exceptional items - Restated ⁽⁵⁾	\$ Cents	5.4	5.0	7.1%		1.7	3.1	(45.5%)	
Basic EPS	\$ Cents	8.6	18.6	(53.6%)		2.4	4.8	(49.5%)	
Weighted Average No of Shares	in Mn	3,529	1,642	114.9%		3,758	2,586	45.4%	
Capex	\$ Mn	396	325	22.0%		150	170	(11.8%)	
Free Cash Flow	\$ Mn	391	206	90.4%		155	21	653.0%	
Net Debts	\$ Mn	3,233	4,189			3,233	4,189		
Operating KPIs									
ARPU	\$	2.7	2.7	(0.1%)	2.2%	2.8	2.7	2.2%	3.5%
Total customer base	Mn	107.1	97.9	9.4%		107.1	97.9	9.4%	
Data customer base	Mn	32.9	29.3	12.4%		32.9	29.3	12.4%	

⁽¹⁾ Breakup of revenue as stated in above table will not add up to total revenue, since it also includes eliminations. ⁽²⁾ Mobile Money revenue post intersegment eliminations is \$ 162 Mn for nine-month period ended Dec'19 and \$ 127 Mn for nine-month period ended Dec'18, \$ 58 Mn for Q3'20 and \$ 44 Mn for Q3'19.

⁽³⁾ Operating profit includes \$ 11.1 Mn contributed by other income & CSR expense in the nine-month period ended December 2019 as compared to \$ 18.9 Mn in the nine-month period ended December 2018⁽⁴⁾ Profit Before Tax in the nine-month period ended December 2018 included a \$ 25 Mn loss from associates. ⁽⁵⁾ In July 2019, following the announcement of the Initial Public Offering, the company issued 676,406,927 new shares. EPS has been restated considering all the shares as at 31 December 2019 had been issued on 1st April 2018 for like for like comparison.

Financial review for the nine-month period, ended 31 December 2019

GAAP Measures

Revenue

Revenue increased by 9.9%, with constant currency growth of 12.4% being partially offset by currency devaluation. Growth in the third quarter accelerated to 14.2% in constant currency as a result of continued strong performance in Nigeria and East Africa and an improvement in the performance of the Rest of Africa. Revenue growth of 12.4%, was largely driven by the robust growth of our customer base, up by 9.4%, to 107.1 Mn and ARPU growth of 2.2%. Revenue growth was broad-based across all services; voice revenue up 3.9%, data revenue up 39.0% and mobile money up 40.4% during the period in constant currency.

Operating Profit

Operating profit amounted to \$ 657 Mn, up 21.3% in reported currency and 23.7% in constant currency, as a result of strong revenue growth, while operating expenditures as a percentage of revenue remained broadly stable.

Finance Cost

Finance costs reduced by \$ 57 Mn driven by a 17% decrease in interest costs, which more than offset an increase in other finance charges as a result of one off gains incurred in the prior year, higher costs related to the initial public offering and higher impact of foreign exchange on debt.

Taxation

The total tax charge for the period was \$ 170 Mn, as compared to a tax credit of \$ 111 Mn in the same period last year, as a result of higher operating profit and withholding tax on dividends, as Airtel Nigeria, our largest and most profitable market, declared a first dividend. In addition, the prior year period benefitted from one-off items which included deferred tax recognition in Nigeria of \$ 170 Mn and a reversal of tax provision of \$ 55 Mn.

Profit After Tax

Profit after tax was \$ 331 Mn, down by 2.2% due to one-off deferred tax recognition in Nigeria in the nine-month period ending 31 December 2018.

Basic Earnings Per Share

Basic EPS was \$ 8.6¢, down 53.6%, due to the increase in the number of shares issued. If all the shares as at 31 December 2019 had been issued on 1 April 2018, the restated Basic EPS for nine months ended 31 December 2019 would have been \$ 8.1¢ and nine months ended 31 December 2018 would have been \$ 8.1¢.

Alternative Performance Measures¹

Underlying EBITDA

Underlying EBITDA was \$ 1,118 Mn, up 13.2% largely driven by 15.5% constant currency growth, partially offset by currency devaluation. Underlying EBITDA margin was at 44.3%, an improvement of 129 bps compared to the previous year largely driven by revenue growth and operating efficiencies. Underlying EBITDA margin in Q3'20 expanded by 178bps in constant currency.

Foreign exchange had an adverse impact of \$ 54.2 Mn on revenue and \$ 21.8 Mn on underlying EBITDA, largely driven by the devaluation of the Zambian Kwacha and Central African Franc. The currency exchange rates in other markets remained broadly stable compared to the same period last year.

Tax

The adjusted effective tax rate for the current period was 37.4% as compared to 40.3% in the same period of last year. The adjusted effective tax rate is lower compared to the previous financial year primarily on account of deferred tax asset recognition in Rest of Africa.

The adjusted effective tax rate is higher than the weighted average statutory tax rate of ~ 33% largely due to the profit mix between various countries.

Exceptional Items

Exceptional items of \$ 104 Mn for the nine-months ended 31 December 2019, mainly consisted of a \$ 72 Mn gain related to the expired indemnity to certain pre-IPO investors and \$ 27 Mn one-off gain largely as a result of the reassessment of the life of customers leading to a deferment of customer acquisition costs.

¹ Alternative performance measures described on page 13

Free cash flow

Free cash flow was \$ 391 Mn, up by 90.4%. The underlying EBITDA increase and lower interest payments due to lower debt were only partially offset by capex increase, due to network modernization as well as roll-out of additional sites, and higher tax payments.

Earnings Per Share before exceptional items

Earnings Per Share before exceptional items was \$ 5.8¢, down 50.1%, as a result of an increase in the number of shares issued. However, if these shares had been issued on 1st April 2018, the restated EPS before exceptional items for nine-month ended 31 December 2019 would have been \$ 5.4¢ and \$ 5.0¢ cents for the nine-month ended 31 December 2018.

Net Debt and Leverage

In December 2019, net debt was \$ 3,233 Mn compared to \$ 4,189 Mn in December 2018. The reduction in net debt of \$ 956 Mn is a result of an increase in cash from the net IPO proceeds of \$ 670 Mn and a reduction in debt by \$ 143 Mn. As a result, leverage reduced to 2.2x as of December 2019.

Other significant updates

Going concern

As part of their assessment of going concern the Directors have taken into account all factors likely to affect its future performance and financial position, including the Group's cash flow under both base and a number of reasonable worst case scenarios. Additionally, the Directors have considered the potential financial impact on the Group of the adverse judgement of the Honourable Supreme Court of India on 24 October 2019 on its intermediate parent company.

Since that time, the Group's intermediate parent company has successfully raised approximately \$3 billion of additional capital through a combination of qualified institutional equity placement and convertible bond offerings.

In the Director's opinion the execution of these activities has reduced the level of uncertainty about the ability of the Group's intermediate parent company to comply with the judgement.

As a result, the Directors have concluded that the previously highlighted material uncertainty around the Group's ability to continue as a going concern no longer exists and that the Group has adequate committed and non-committed facilities to operate as a going concern.

MSCI inclusion

On 7 November 2019, Airtel Africa plc was added to the MSCI Small Cap index.

Nigeria spectrum acquisition

In November 2019, Airtel Networks Limited ("Airtel Nigeria") signed an agreement with Intercellular Nigeria Limited, in order to acquire an additional 10 MHz spectrum in the 900 MHz band in Nigeria for a consideration of \$70 million, excluding NCC Fees as per the NCC Spectrum Trading Guidelines. The acquisition of this additional spectrum will allow Airtel Nigeria to expand and strengthen its LTE network across the country.

The Acquisition is subject to regulatory approval by the Nigerian Communications Commission (NCC).

Airtel TV

In December 2019, we launched Airtel TV in Nigeria and Zambia with more than 5000 hours of videos free of any subscription fees. The Airtel TV app is available in Android as well as iOS and it is a one stop platform for Live TV, Music videos, news, sports and much more. In addition, Airtel TV also offers live TV on popular channels such as Trace (Africa, Urban, Tropical, Mziki, Sport Stars and Gospel), Bloomberg Television, Gametoon, Bollywood, Fashion Box, God TV, Nautical, Al Jazeera English and Inspiration TV, among others.

Western Union

In January 2020, Airtel Group has signed a strategic partnership with Western Union. Through this partnership, Airtel Money customers will be able to reliably send and receive international money transfers directly from their phones, using the Airtel Africa mobile money wallet. This paves the way for Airtel Africa to further cater to the needs of local and global community members to move money and enable international cross-border payments. This partnership helps Airtel Africa to take an active part in the international money transfer business that happens to and from its operating countries.

Tanzania additional spectrum

Airtel Tanzania has been allocated an additional spectrum of 10 MHz in 1800 MHz band with an annual fee of \$ 0.6 Mn. With this allocation, Airtel Tanzania has 22.5 MHz spectrum in 1800 Band. In addition, Airtel Tanzania has been authorized by the TCRA (Tanzania Communications Regulatory Authority) to use 10 MHz in the 700 MHz band for 8 months from 21st October. The license of 700 MHz band will be issued post completion of a total of \$ 12 Mn payment to the regulatory authorities in June 2020.

Announcement of Airtel Malawi listing on Malawi Stock Exchange

On 24 December 2019, further to its announcement of 11 December 2019 of its intention to float its local business Airtel Malawi plc (“Airtel Malawi” or the “Subsidiary”) on the Malawi Stock Exchange, it was announced that the price for the initial public offering had been set at MK 12.69 (\$ 0.02) per ordinary share. The offer is expected to comprise of 1.65 billion shares, representing 15% of the issued share capital. An additional 550 million shares, representing 5% of the issued share capital will be made available subject to the exercise of the over-allotment option. Airtel Malawi expects to raise gross proceeds of up to MK 27.92 billion (\$ 37.5 million) and the price implies a market capitalisation on admission of MK 139.59 billion (\$ 187.4 million).

Earnings call

Management will host an analyst call today at 9.30 AM UK time. Details on how to access the call can be found on page 12.

Information on additional KPI

An IR pack with information on additional KPI and balance sheet is available to download on our website at <https://airtel.africa/investors>.

Financial review for the nine-month period, ended 31 December 2019

Nigeria

Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
Summarized Statement of Operations									
Revenue	\$ Mn	995	805	23.6%	23.4%	355	285	24.4%	23.9%
Voice Revenue	\$ Mn	616	540	14.1%	13.9%	218	188	15.9%	15.5%
Data Revenue	\$ Mn	315	179	75.4%	75.0%	115	66	74.6%	73.8%
Other Revenue	\$ Mn	65	86	(24.6%)	(24.8%)	21	31	(31.3%)	(31.6%)
Underlying EBITDA	\$ Mn	535	389	37.4%	37.1%	194	143	36.0%	35.6%
Underlying EBITDA Margin	%	53.7%	48.4%	537 bps	538 bps	54.7%	50.1%	467 bps	471 bps
Depreciation & Amortisation	\$ Mn	(137)	(115)	19.2%	19.1%	(48)	(36)	31.6%	31.3%
Exceptional Item	\$ Mn	5	(27)	(119.0%)	(119.0%)	8	(2)	(446.9%)	(444.4%)
Operating Profit	\$ Mn	403	247	63.2%	62.8%	154	104	48.3%	47.7%
Capex	\$ Mn	180	112	60.1%	60.1%	64	68	(6.3%)	(6.3%)
Operating Free Cash Flow	\$ Mn	355	277	28.2%	27.9%	130	74	74.9%	73.5%
Operating KPIs									
ARPU	\$	2.9	2.7	7.7%	7.5%	3.0	2.7	10.2%	9.8%
Total Customer base	Mn	39.9	36.6	8.9%		39.9	36.6	8.9%	
Data Customer base	Mn	15.2	13.6	12.2%		15.2	13.6	12.2%	

Reported revenue was up 23.6% for the nine-month period ended 31 December 2019, with Q3'20 growth of 24.4%. Growth in constant currency was 23.4% for the nine-month period and Q3'20 of 23.9% which is largely in line with the reported growth as a result of a stable foreign exchange rate.

Constant currency revenue growth of 23.4%, was driven largely by the voice revenue growth of 13.9% and data growth of 75%. Data revenue growth in Q3'20 was 73.8% in constant currency.

The voice revenue increase of 13.9% was driven by customer base growth of 8.9%. The customer base expansion was driven by the efficient sales and distribution network supported by the accelerated rollout of our network infrastructure.

Data revenue increased by 75% and contributed 71% to overall revenue growth for the nine-month period. Data revenue growth was driven by the increase in the data customer base, as a result of the growth in the 4G network rollout and data ARPU growth. The data customer base grew by 12.2% driven by the accelerated rollout of our 4G network, (as of 31 December 2019, 63.7% of the total sites are 4G). Data ARPU grew by 45.8% in the nine-month period with Q3'20 growth of 51.2%. Data usage increased by 86.2% and now 49.3% (as of Q3'20) of the total usage is on the 4G network. In the nine-month period, data revenue accounted for 31.6% of Nigeria revenue compared to a 22.3% in the prior period and 32.5% in Q3'20.

Underlying EBITDA margin in constant currency increased by 538bps as a result of revenue growth and operating efficiencies.

Exceptional item in nine-month period December 2019 benefitted from \$ 9.3 Mn one-off gain largely as a result of reassessment of life of customers leading to a deferment of customer acquisition costs.

Capital expenditure amounted to \$ 180 Mn, an increase from \$ 112 Mn in the prior period as the business continued to expand and invest in the network infrastructure, as the number of 4G sites increased 1.4x.

Operating Free Cash Flow was \$ 355 Mn, up 28.2%, largely as a result of double-digit underlying EBITDA growth partially offset by an increase in capital expenditures.

East Africa

Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
Summarized Statement of Operations									
Revenue ⁽¹⁾	\$ Mn	891	829	7.5%	12.0%	313	283	10.7%	13.6%
Voice Revenue	\$ Mn	453	453	(0.0%)	4.5%	157	154	1.6%	4.3%
Data Revenue	\$ Mn	225	199	12.9%	17.4%	81	67	21.4%	24.4%
Mobile Money Revenue ⁽²⁾	\$ Mn	155	108	44.1%	48.6%	56	41	36.6%	40.3%
Other Revenue	\$ Mn	99	94	6.1%	10.1%	34	33	3.4%	6.0%
Underlying EBITDA	\$ Mn	360	329	9.6%	14.4%	127	117	8.3%	11.2%
Underlying EBITDA Margin	%	40.4%	39.6%	78 bps	87 bps	40.5%	41.4%	(88)bps	(85)bps
Depreciation & Amortisation	\$ Mn	(174)	(170)	2.5%	6.8%	(57)	(59)	(3.1%)	(0.6%)
Exceptional Item	\$ Mn	7	(4)	(250.8%)	(250.7%)	12	(3)	(441.0%)	(443.3%)
Operating Profit	\$ Mn	193	154	24.9%	30.4%	82	55	48.2%	51.2%
Capex	\$ Mn	121	139	(13.1%)	(13.1%)	61	65	(6.5%)	(6.5%)
Operating Free Cash Flow	\$ Mn	239	190	26.2%	35.3%	66	52	26.7%	33.2%
Operating KPIs									
ARPU	\$	2.2	2.3	(1.3%)	2.8%	2.3	2.3	0.2%	2.8%
Total Customer base	Mn	47.4	42.5	11.4%		47.4	42.5	11.4%	
Data Customer base	Mn	12.9	10.8	19.4%		12.9	10.8	19.4%	

⁽¹⁾ Breakup of revenue as stated in above table will not add up to total revenue, since it also includes eliminations. ⁽²⁾ Mobile Money revenue post intersegment eliminations is \$ 114 Mn for nine-month period ended Dec'19 and \$ 84 Mn for nine-month period ended Dec'18, \$ 42 Mn for Q3'20 and \$ 29 Mn for Q3'19.

Revenue in East Africa grew by 7.5% in the nine-month period ended 31 December 2019. Constant currency growth of 12.0% was partially offset by currency devaluation in Zambia and Malawi. Revenue growth of 12.0% in constant currency was driven by growth across all services. All countries delivered a solid performance and contributed to revenue growth, with the exception of Rwanda.

Voice revenue was up 4.5%, largely driven by customer growth of 11.4% and an increased usage per customer of 14.1%.

Data revenue increased by 17.4%, and by 24.4% in Q3'20. Data revenue growth of 17.4% was driven by the increase in the data customer base, up 19.4% and an increase in data usage per customer, up 55.1%. The growth was supported by the rollout of the 4G network. Smartphone penetration was up 2.6%. We continued to offer popular "more for more" data bundles which supported the overall growth of data usage. In the nine-month period data revenue accounted for 25.2% of total revenue in East Africa. The improvement in Q3'20 data revenue growth was mainly driven by Kenya, Malawi and Zambia as a result of increased 4G data usage, up by almost 4x, and data ARPU increase.

Mobile money revenue increased by 44.1% in reported currency and by 48.6% in constant currency. The increase was driven by customer base growth of 19.9% and transaction value per customer growth of 23.1%. We continued to expand the mobile money distribution network (increasing the number of agents, kiosks and Airtel Money Branches). In Q3'20, the YoY expansion slowed compared to the same period in the prior year which benefitted from extensive distribution roll out in Zambia and Tanzania.

Underlying EBITDA margin in constant currency increased by 87 bps as a result of revenue growth and operating leverage. Underlying EBITDA margin slightly reduced in Q3'20 due to an increase in operating expenses as a result of investment in network expansion and higher marketing spend.

Exceptional item in nine-month period December 2019 benefitted from \$ 14 Mn one-off gain largely as a result of reassessment of life of customers leading to a deferment of customer acquisition costs.

Capital expenditure amounted to \$ 121 Mn, slightly lower than the prior period as a large part of the network modernization in East Africa was completed in the previous year. As a result of lower capex and higher underlying EBITDA, operating free cash flow amounted to \$ 239 Mn, up 26.2%.

Rest of Africa

Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
Summarized Statement of Operations									
Revenue ⁽¹⁾	\$ Mn	644	677	(4.9%)	(1.9%)	218	221	(1.8%)	0.1%
Voice Revenue	\$ Mn	398	455	(12.6%)	(9.7%)	133	147	(9.3%)	(7.5%)
Data Revenue	\$ Mn	138	118	16.5%	19.8%	47	41	13.7%	15.9%
Mobile Money Revenue ⁽²⁾	\$ Mn	68	55	23.7%	27.3%	25	21	16.2%	18.5%
Other Revenue	\$ Mn	64	65	(0.9%)	1.9%	22	20	7.0%	8.7%
Underlying EBITDA	\$ Mn	222	261	(14.9%)	(12.6%)	82	85	(3.9%)	(2.1%)
Underlying EBITDA Margin	%	34.5%	38.5%	(405)bps	(420)bps	37.5%	38.3%	(82)bps	(87)bps
Depreciation & Amortisation	\$ Mn	(142)	(135)	5.8%	9.1%	(49)	(40)	25.2%	27.9%
Exceptional Item	\$ Mn	(12)	(19)	(38.1%)	(37.3%)	(2)	(19)	(91.2%)	(90.9%)
Operating Profit	\$ Mn	67	106	(36.9%)	(35.4%)	30	27	14.7%	16.3%
Capex	\$ Mn	93	72	29.4%	29.4%	24	36	(32.2%)	(32.2%)
Operating Free Cash Flow	\$ Mn	129	189	(31.8%)	(28.9%)	57	49	16.9%	20.0%
Operating KPIs									
ARPU	\$	3.7	4.0	(8.2%)	(5.3%)	3.7	4.0	(6.6%)	(4.8%)
Total Customer base	Mn	19.9	18.8	6.1%		19.9	18.8	6.1%	
Data Customer base	Mn	4.7	4.9	(2.6%)		4.7	4.9	(2.6%)	

⁽¹⁾ Breakup of revenue as stated in above table will not add up to total revenue, since it also includes eliminations. ⁽²⁾ Mobile Money revenue post intersegment eliminations is \$ 44 Mn for nine-month period ended Dec'19 and \$ 39 Mn for nine-month period ended Dec'18, \$ 16 Mn for Q3'20 and \$ 13 Mn for Q3'19.

Performance in Rest of Africa continued to improve and in the third quarter the business was broadly stable as a result of improved performance in voice and continued good performance in data and mobile money. Nevertheless, Rest of Africa continued to be impacted by macroeconomic weakness in some of the countries in the region.

Revenue decreased by 4.9% in reported currency and 1.9% in constant currency, as growth in data, mobile money and other revenue did not fully offset a decline in voice revenue. Performance improved in Q3 with revenue broadly stable as growth in Democratic Republic of Congo, Chad and Seychelles was offset by decline in the rest of the region.

Voice revenue decreased by 9.7%, largely due to the reduction in interconnect usage charges in Niger, Madagascar and Chad and overall market weakness in some of the countries in the segment.

Data revenue was up 19.8% largely driven by the increase in data usage per sub by 61.2% resulting from the accelerated rollout of 4G services and network upgrade. During the period, more than 1,500 additional sites were rolled out on the 4G network, which accounted for more than 55% of the total sites. More than 3,900 broadband base stations were rolled out during the nine-month period.

Mobile money revenue was up 27.3% with all key markets delivering double-digit growth, supported by the growth of mobile money customer base (+25.5%) and further expansion of the distribution network.

Underlying EBITDA margin in constant currency decreased by 420 bps as a result of lower revenue and one-off quality of services charge in Gabon in the first quarter.

Exceptional item in nine-month period December 2019 benefitted from \$ 3.5 Mn one-off gain largely as a result of reassessment of life of customers leading to a deferment of customer acquisition costs.

Capital expenditure amounted to \$ 93 Mn compared with \$ 72 Mn in the previous period, as we continued to invest in network modernization, the rollout of the 4G network, more than doubling the number of 4G sites.

Mobile Services

Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
Summarized Statement of Operations									
Revenue ⁽¹⁾	\$ Mn	2,366	2,179	8.6%	11.0%	826	743	11.1%	12.4%
Underlying EBITDA	\$ Mn	1,006	913	10.2%	12.4%	363	316	14.6%	15.8%
Underlying EBITDA Margin	%	42.5%	41.9%	61 bps	53 bps	43.9%	42.5%	134 bps	127 bps
Depreciation & Amortization	\$ Mn	(449)	(414)	8.5%	11.3%	(153)	(132)	15.7%	17.5%
Operating Exceptional Items	\$ Mn	(0)	(32)	(99.8%)	(99.0%)	18	(5)	(441.9%)	(305.3%)
Operating Profit	\$ Mn	557	467	19.2%	21.9%	228	179	27.3%	30.3%
Capex	\$ Mn	386	317	21.9%	21.9%	145	167	(12.9%)	(12.9%)
Operating Free Cash Flow	\$ Mn	620	596	4.0%	7.3%	217	149	45.5%	47.7%
Operating KPIs									
Mobile voice									
Voice revenue	\$ Mn	1,463	1,440	1.6%	3.9%	506	487	4.0%	5.3%
Customer base	Mn	107.1	97.9	9.4%		107.1	97.9	9.4%	
Voice ARPU	\$	1.6	1.7	(7.6%)	(5.5%)	1.6	1.7	(5.7%)	(4.6%)
Mobile data									
Data revenue	\$ Mn	677	496	36.3%	39.0%	243	174	39.8%	41.3%
Data customer base	Mn	32.9	29.3	12.4%		32.9	29.3	12.4%	
Data ARPU	\$	2.4	2.1	17.9%	20.3%	2.5	2.1	22.3%	23.6%

⁽¹⁾ Mobile service revenue post intersegment eliminations amounted to \$ 2,360 Mn for nine-month period ended Dec'19 and \$ 2,169 Mn for nine-month period ended Dec'18, \$ 824 Mn for Q3'20 and \$ 738 Mn for Q3'19.

Mobile Services revenue was up by 8.6% and 11.0% in constant currency. Both voice and data revenue contributed to this growth.

Voice

Voice revenue increased by 1.6% in reported currency and by 3.9% in constant currency, largely driven by customer growth of 9.4%, as a result of a stable churn at 4.9% and the expansion of distribution network and expansion of infrastructure network. In Q3'20 revenue growth improved as a result of improved performance in Nigeria and Rest of Africa.

Voice ARPU decreased 5.5% in constant currency terms, largely driven by weakness in Rest of Africa and a decrease in interconnect usage charges across key markets in East Africa and Rest of Africa.

Data

Data Revenue was up 39% in constant currency in the nine-month period, largely driven by an increase in data customer base, 4G network rollout and data usage growth. Data customer growth of 12.4% was driven by a rollout of our 4G network, which represented 62.3% of the sites on 4G network, increase in smartphone penetration by 2.3%, accelerated rollout of the 4G network and the addition of more than 13,500 broadband base stations. 30.7% of the total customer base is data users, increased from 29.9% in the previous period.

Overall data usage increased 80.7% and data usage per customer was up 56.3% to 1,760MB/subs/month, supported by an expansion of our 4G network and continuation of popular "more for more" data bundles, contributing data ARPU growth of 20.3%. Data revenue accounted for 26.8% of total revenue, up from 21.7% in the prior period in constant currency.

Mobile Money

Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
Summarized Statement of Operations									
Revenue ⁽¹⁾	\$ Mn	228	167	36.3%	40.4%	82	64	27.5%	30.6%
Underlying EBITDA	\$ Mn	110	65	69.1%	72.5%	40	29	40.6%	43.6%
Underlying EBITDA Margin	%	48.5%	39.1%	941 bps	901 bps	49.0%	44.4%	456 bps	441 bps
Depreciation & Amortization	\$ Mn	(4)	(5)	(18.8%)	(18.1%)	(1)	(2)	(42.0%)	(41.4%)
Operating Profit	\$ Mn	106	60	76.6%	80.2%	39	26	48.4%	51.6%
Capex	\$ Mn	7	6	18.2%	18.2%	4	2	69.1%	69.1%
Operating Free Cash Flow	\$ Mn	103	59	74.1%	77.9%	36	26	38.2%	41.5%
Operating KPIs									
Mobile Money Key KPIs									
Transaction value	\$ Mn	23,332	18,629	25.2%	30.2%	8,365	6,541	27.9%	31.7%
Active customers	Mn	16.6	13.8	20.5%		16.6	13.8	20.5%	
Mobile Money ARPU	\$	1.7	1.4	15.1%	18.5%	1.7	1.5	9.8%	12.5%

⁽¹⁾ Mobile Money revenue post intersegment eliminations is \$ 162 Mn for nine-month period ended Dec'19 and \$ 127 Mn for nine-month period ended Dec'18, \$ 58 Mn for Q3'20 and \$ 44 Mn for Q3'19

In the nine-month period, mobile money revenue amounted to \$ 228 Mn, up 36.3% in reported currency and by 40.4% in constant currency, driven by the growth of the customer base which was up 20.5%, and transaction value growth of 30.2%. Growth in the customer base was largely driven by the expansion of the distribution network, as we continued to invest in exclusive kiosks and mobile money branches, up 30.6% and 157% respectively compared to last year. The expansion of the merchant ecosystem and the provision of more affordable tariffs further contributed to transaction value growth.

Revenue growth slowed to 30.6% in constant currency largely as a result of the benefit from extensive distribution roll out in Zambia and Gabon incurred in the same period last year.

Underlying EBITDA in mobile money increased by 69.1%, amounting to \$ 110 Mn, driven by the revenue growth and lean cost structure, resulting in a better flow through in EBITDA. As a result, underlying the EBITDA margin improved to 48.5%, up from 39.1%.

Total transaction value was up 30.2% in constant currency, with an annualized value of more than \$ 34.3 billion (Q3'20 annualized) driven by the expansion of our distribution network.

Mobile money active customer base amounted to 16.6 Mn, up 20.5% versus the previous year with the mobile money customer base currently representing 15.5% of the total base.

Mobile money ARPU was up 18.5% driven by a growth of transaction value per sub and higher contribution from P2P and merchant payments.

Forward looking statements

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

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

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

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

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

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

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

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

About Airtel Africa

Airtel Africa is a leading provider of telecommunications and mobile money services, with a presence in 14 countries in Africa, primarily in East Africa and Central and West Africa.

Airtel Africa offers an integrated suite of telecommunications solutions to its subscribers, including mobile voice and data services as well as mobile money services both nationally and internationally. The Group aims to continue providing a simple and intuitive customer experience through streamlined customer journeys.

For further information:

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Telephone number: +44 207 493 9315

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Conference call

The management team will host an analyst and investor conference call at **9:30 AM UK time, on Tuesday 28 January 2020**, including a Question and Answer session.

In order to participate in the event, please use the following options to access via:

1) Conference call, please follow the instructions:

In the 10 minutes prior to the start, call the appropriate participant **dial-in number:**

- Standard International: +44 (0) 2071 928000
- United Kingdom Freephone: 08003767922
- United Kingdom Local Call: 08445718892
- United States: 18669661396
- United States, New York 16315107495
- Nigeria, Lagos: 12278975
- Nigeria, Lagos: 12278750
- India: 18002666102
- South Africa, Johannesburg: 0105007996
- France: 0805103028

Provide the operator with the **conference ID 4395607**.

Alternative Performance Measures (APMs)

Introduction

In the reporting of financial information, the Directors have adopted various APMs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods and geographical units (such as like-for-like sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive-setting purposes.

The Directors believe the following metrics to be the APMs used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. These measures provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business.

The following metrics are useful in evaluating the Group's operating performance:

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and Purpose
Underlying EBITDA and Margin	Operating Profit	<ul style="list-style-type: none"> • Depreciation and amortisation • Charity and donation • Exceptional Item 	<p>The Group defines Underlying EBITDA as Operating profit/ (loss) for the period before depreciation and amortization, charity and donation and adjusted for exceptional items.</p> <p>Group defines Underlying EBITDA Margin as Underlying EBITDA divided by total revenue.</p> <p>Underlying EBITDA and margin are measures used by the Directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. Underlying EBITDA and margin are also presented on a consolidated basis because the Directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, Underlying EBITDA and margin are APM.</p> <p>Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at Underlying EBITDA and Margin.</p> <p>Charity and donation is not related to the trading performance of the Group and hence adjusted to arrive at Underlying EBITDA and Margin.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Underlying EBITDA and Margin.</p>

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and Purpose
Underlying Operating Expenditure		<ul style="list-style-type: none"> • Access charges • Depreciation and amortisation • Charity and Donation • Exceptional items 	<p>The Group defines Underlying Operating Expenditure as expenses excluding access charges, depreciation and amortisation, charity and donation and adjusted for exceptional items.</p> <p>The Directors view Underlying Operating Expenditure to be a meaningful measure to track the actual cost of the Group's business, excluding exceptional items, as well as to track the efficiency and productivity of the business.</p> <p>The Directors view access charges in net level (net of revenue and cost) in revenue account and hence adjusted to arrive at Underlying Operating Expenditure.</p> <p>Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment. Directors believe that a measure which removes this volatility improves comparability of the Group's trading expenses period on period and hence is adjusted to arrive at Underlying Operating Expenditure.</p> <p>Charity and donation is not related to the trading expenses of the Group and hence adjusted to arrive at Underlying Operating Expenditure.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's trading expenses on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Underlying Operating Expenditure.</p>
Underlying Profit / (Loss) Before Tax	Profit / (Loss) Before Tax	<ul style="list-style-type: none"> • Exceptional Items 	<p>The Group defines Underlying Profit / (Loss) before Tax as Profit/ (loss) before tax adjusted for exceptional items.</p> <p>The Directors view Underlying Profit / (Loss) Before Tax to be a meaningful measure to analyse the Group's profitability.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Underlying Profit / (Loss) Before Tax.</p>
Adjusted effective tax rate	Reported tax rate	<ul style="list-style-type: none"> • Exceptional items and • Foreign Exchange rate movements • One off tax litigation settlement • Tax on Dividend 	<p>The Group defines adjusted effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one off tax litigation settlements.</p> <p>This provides an indication of the on-going tax rate across the Group.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Adjusted effective tax rate.</p> <p>Foreign exchange rate movements are specific items that are non-tax deductible and hence are considered to hinder comparison of the Group's effective tax rate on a period to period basis.</p> <p>One off tax litigation settlement are additional specific items that because of their size and frequency in the results, are considered to hinder comparison of the Group's effective tax rate on a period to period basis.</p> <p>With Holding Tax on dividend declared by subsidiaries are additional specific items that because of their size nature or incidence in the results, are considered to hinder the comparison of the Group's effective tax rate on a period to period basis.</p>

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and Purpose
Underlying profit/(loss) after tax	Profit/(loss) for the period	<ul style="list-style-type: none"> Exceptional Items 	<p>The Group defines Underlying Profit / (Loss) after Tax as profit / (loss) for the period adjusted for exceptional items.</p> <p>The Directors view Underlying Profit / (Loss) after Tax to be a meaningful measure to analyse the Group's profitability.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Underlying profit/(loss) after tax.</p>
Earnings per share before exceptional items	EPS	<ul style="list-style-type: none"> Exceptional Items 	<p>The Group defines Earnings per share before exceptional items as profit/ (loss) for the period before exceptional items attributable to owners of the Group divided by the weighted average number of ordinary shares in issue during the financial period.</p> <p>This measure reflects the earnings per share before exceptional items for each share unit of the Group.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at earnings for the purpose of Earnings per share before exceptional items.</p>
Operating Free Cash Flow	Cash generated from operating activities	<ul style="list-style-type: none"> Income tax paid, Changes in working capital, Other non-cash items, Non-operating income, Charity and donation and Exceptional items Capital expenditures 	<p>The Group defines Operating Free Cash Flow as net cash generated from operating activities before income tax paid, changes in working capital, other non-cash items, non-operating income, charity and donation and exceptional items less capital expenditures. The Group views Operating Free Cash Flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.</p>
Free Cash Flow	Cash generated from operating activities	<ul style="list-style-type: none"> Changes in working capital, Capital expenditures Cash tax Cash Interest 	<p>The Group defines Free Cash Flow as net cash generated from operating activities after change in operating working capital, cash tax & cash interest. It is computed as "EBITDA less change in operating working capital, capital expenditures, cash tax and cash interest"</p> <p>The Group views Free Cash Flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.</p>
Net Debt and Leverage Ratio	No direct equivalent	<ul style="list-style-type: none"> Borrowing Lease liabilities Cash and cash equivalent Fair value hedges 	<p>The Group defines Net debt as borrowings including lease liabilities less cash and cash equivalents, processing costs related to borrowings and fair value hedge adjustments.</p> <p>The Group defines Leverage Ratio as net debt divided by underlying EBITDA.</p> <p>The Directors view Net debt and Leverage Ratio to be a meaningful measure to monitor the Group's ability to cover its debt through its earnings.</p>

Some of the Group's APMs are translated at constant exchange rates. Constant exchange rates are the average actual periodic exchange rates for the previous financial period and are used to eliminate the effects of exchange rate fluctuations in assessing performance. Actual exchange rates are the average actual periodic exchange rates for that financial period.

Changes to APMs

During the period, there has not been any change in Group's APM.

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.
ARPU	Average revenue earned per user per month, which is derived by dividing total revenue during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Capital Expenditure	It is not a GAAP measure and is defined as investment in gross fixed assets (tangible and intangible excluding spectrum/license) and capital work in progress (CWIP) excluding provisions on CWIP for the period.
Churn	The total number of customer disconnections during the relevant period divided by the average customers in the relevant period.
Customer Base	Total number of subscribers that used any of our services (voice calls, SMS, data usage or Airtel Money transaction) in the last 30 days.
Data Customer Base	Total subscribers that consumed at least 1MB on the Group's GPRS, 3G or 4G network in the last 30 days
Data Usage per Customer	The average data consumption per data subscriber on a monthly basis. It is calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period, and dividing the result by the number of months in the relevant period.
Underlying EBITDA	It is not a GAAP measure; it is defined as operating profit before depreciation, amortization, CSR cost and exceptional items.
Underlying EBITDA Margin	It is not a GAAP measure; It is computed by dividing Underlying EBITDA for the relevant period by total revenue for the relevant period.
Earnings Per Share (EPS)	EPS is computed by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of shares outstanding during the period.
Free Cash Flow	Free Cash Flow defined as Operating Free Cash Flow less cash interest, cash tax and change in operating working capital.
Lease Obligation	Lease Obligation represents the present value of the future lease payment obligation.
Mobile Broadband Base stations	It includes all the 3G and 4G Base stations deployed across all technologies/spectrum bands
Minutes of Usage	Total voice minutes used by customers on the Group's network during the relevant period.
Network Towers/Sites	Comprises of Base Transmission System (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period. Towers as referred to be revenue generating Towers.
Net Debt	It is not a GAAP measure and is defined as the long-term borrowings, short term borrowings and leased liability less cash and cash equivalents.
Net Debt to Underlying EBITDA (LTM)	It is not a GAAP measure and is computed by dividing Net Debt as at the end of the relevant period by Underlying EBITDA for preceding last 12 months (from the end of the relevant period).
Operating Free Cash flow	It is computed by subtracting Capital Expenditure from Underlying EBITDA.
Operating Profit	It is a GAAP measure and is computed as Revenue less operating expenditure including depreciation & amortisation and operating exceptional items.
Total MBs on Network	Includes total MBs consumed (uploaded & downloaded) via our network during the relevant period.
Voice Minutes of Usage per Customer per month	Total voice minutes of usage the Group's network during the relevant period divided by the average number of customers during the same period, divided by the number of months in the relevant period.
Weighted Average number of Shares	The weighted average number of shares is calculated by taking the number of outstanding shares and multiplying the portion of the reporting period those shares covered, doing this for each portion and, finally, summing the total.

Abbreviations

3G	Third - Generation Technology
4G	Fourth - Generation Technology
ARPU	Average Revenue Per User
bps	Basis points
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EPS	Earnings Per Share
IPO	Initial Public Offering
LTM	Last twelve months
LTE	Long-Term Evolution (4G technology)
MI	Minority Interest (Non Controlling Interest)
MB	Megabyte
Mn	Million
GAAP	Generally Accepted Accounting Principles
GB	Gigabyte
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ppts	Percentage points
P2P	Person 2 Person
SIM	Subscriber Identification Module
