



Media Release

Mumbai – Jan 24, 2011

Idea Cellular announces un-audited results for the third quarter (Q3) and nine months ended December 31, 2010

Highlights – Q3 FY11 over Q2 FY11

- Idea – Standalone¹ – Revenue up 8.2%, EBITDA up 7.8%, PAT up 35.5%
- Idea – Consolidated² – Revenue up 8.1%, EBITDA up 7.9%, PAT up 35.2%

| | INR mn | | | | | | | |
|--|------------------------------|---------|------------|------------|--------------------------------|---------|------------|------------|
| | Idea Standalone ¹ | | | | Idea Consolidated ² | | | |
| | Q3 FY11 | Q2 FY11 | YTDQ3 FY11 | YTDQ3 FY10 | Q3 FY11 | Q2 FY11 | YTDQ3 FY11 | YTDQ3 FY10 |
| Revenue - Established Service Areas ³ | 35,941 | 33,507 | 103,281 | 82,769 | | | | |
| Revenue - New Service Areas ⁴ | 3,960 | 3,384 | 10,408 | 5,633 | | | | |
| Total Revenue | 39,901 | 36,891 | 113,689 | 88,402 | 39,556 | 36,592 | 112,685 | 90,993 |
| EBITDA - Established Service Areas ³ | 9,597 | 9,047 | 27,981 | 24,973 | | | | |
| EBITDA - New Service Areas ⁴ | (1,384) | (1,429) | (4,213) | (2,762) | | | | |
| Total EBITDA | 8,214 | 7,618 | 23,768 | 22,210 | 9,482 | 8,788 | 27,155 | 24,836 |
| EBITDA% - Established Service Areas ³ | 26.7% | 27.0% | 27.1% | 30.2% | | | | |
| EBITDA% - New Service Areas ⁴ | -34.9% | -42.2% | -40.5% | -49.0% | | | | |
| Total EBITDA% | 20.6% | 20.7% | 20.9% | 25.1% | 24.0% | 24.0% | 24.1% | 27.3% |
| Depreciation & Amortisation | 5,362 | 5,265 | 15,787 | 12,687 | 5,925 | 5,820 | 17,401 | 14,482 |
| Other Receipt | - | - | - | (317) | - | - | - | (317) |
| EBIT | 2,852 | 2,353 | 7,981 | 9,841 | 3,557 | 2,968 | 9,753 | 10,670 |
| Interest and Financing Cost (Net) | 572 | 665 | 2,003 | 1,381 | 941 | 1,028 | 3,111 | 2,864 |
| PBT | 2,280 | 1,688 | 5,978 | 8,460 | 2,616 | 1,940 | 6,643 | 7,806 |
| PAT | 2,209 | 1,630 | 5,802 | 7,535 | 2,430 | 1,797 | 6,242 | 6,873 |
| Cash Profit ⁵ | 7,674 | 6,982 | 21,868 | 21,387 | 8,573 | 7,789 | 24,147 | 22,531 |

Note: Spice Communications was amalgamated into Idea Cellular with an appointed date of March 01, 2010. Accordingly, previous year figures (YTD Q3FY10) for Idea Standalone exclude Spice Communications, and for Idea Consolidated include proportionate consolidation.

Riding on improved seasonal demand in the October-December quarter, and upon the longer term trend of expanding market share, Idea grew its total Minutes on Network by 10.2%, while Standalone Revenue expanded by 8.2%, on a sequential quarterly basis. The Average Realised Rate per minute declined marginally to 41.8p, compared to 42.3p in the previous quarter.

During the quarter, the increase in Advertising and in Subscriber Acquisition & Servicing costs by ~2.5% (as a percentage of revenue), were substantially cushioned by volume led cost efficiencies, resulting in almost flat EBITDA margins. The EBITDA losses from the New Service Areas also remained almost unchanged in absolute terms, but exhibited an improvement in percentage terms.



During the quarter, interest of Rs. 1,242 mn was capitalised against the payment for 3G auction fee. On a standalone basis, the PAT for the quarter stands at Rs. 2,209 mn, up 35.5% on a sequential basis, while Cash Profit of Rs. 7,674 mn grew by 9.9%.

Preparatory work for 3G rollout is on track, and Idea will, in the next few months, launch 3G services in the 11 service areas where it won the 3G spectrum. Further, Idea is finalising long-term arrangements with select quality operators for service areas where Idea was not awarded 3G spectrum. Together, these will enable Idea subscribers, throughout the country, to enjoy what will be the gold standard in 3G services, apart from deriving the benefit of nation-wide roaming.

With each passing quarter, the company is emerging stronger. Its thrust in its established service areas together with a calibrated approach for new service areas, its improving revenue market share, and its ability to extract stable Cash Profits at the world's lowest price points, position Idea as a company poised to benefit from long-term sector opportunities once the overcapacity phase draws to an inevitable close.

Notes:

1. Idea Standalone represents Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the JVs, Spice (till February 28, 2010) and Indus.
2. Idea Consolidated represents Idea, its 100% subsidiaries, and its JVs, grouped together. In addition to Idea Standalone, this covers the proportionate consolidation of Indus (16%), and Spice (41.09%, till February 28, 2010).
3. Established Service Areas represent Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan and the Himachal Pradesh service area, and also include the service areas of Punjab and Karnataka from March 01, 2010.
4. New Service Areas represent Mumbai, Bihar, Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and the North East service areas.
5. Cash Profit is calculated as the summation of PAT, Depreciation, charge on account of ESOPs and Deferred tax, for the relevant period.
6. Figures for past periods have been regrouped, wherever necessary.

About Idea Cellular Ltd.

A leading national GSM mobile services operator, Idea Cellular won 3G spectrum in 11 service areas. Idea is listed on the National Stock Exchange (NSE), and the Bombay Stock Exchange (BSE) in India.

Idea is part of the Aditya Birla Group, India's first truly multinational group. The group operates in 27 countries, is anchored by an extraordinary force of over 130,600 employees belonging to 40 nationalities, and derives over 60% of its revenues from operations outside India.