



Media Release

Mumbai – Jan 23, 2012

Idea Cellular announces un-audited results for the Third Quarter (Q3) and Nine months ended December 31, 2011

Highlights – Q3 FY12

- Idea – Standalone¹ – Revenue Rs. 50,652 mn, EBITDA Rs. 11,986 mn, PAT Rs. 1,687 mn
- Idea – Consolidated² – Revenue Rs. 50,308 mn, EBITDA Rs. 13,446 mn PAT Rs. 2,010 mn

	INR mn							
	Idea Standalone ¹				Idea Consolidated ²			
	Q3FY12	Q2FY12	YTD Q3 FY12	YTD Q3 FY11	Q3FY12	Q2FY12	YTD Q3 FY12	YTD Q3 FY11
Revenue - Established Service Areas ³	45,144	41,579	127,469	103,281				
Revenue - New Service Areas ⁴	5,508	4,975	15,296	10,408				
Total Revenue	50,652	46,554	142,765	113,689	50,308	46,199	141,714	112,685
EBITDA - Established Service Areas ³	13,708	12,212	37,984	27,981				
EBITDA - New Service Areas ⁴	(1,722)	(1,776)	(4,895)	(4,213)				
Total EBITDA	11,986	10,436	33,089	23,768	13,446	11,866	37,352	27,155
EBITDA% - Established Service Areas ³	30.4%	29.4%	29.8%	27.1%				
EBITDA% - New Service Areas ⁴	-31.3%	-35.7%	-32.0%	-40.5%				
Total EBITDA%	23.7%	22.4%	23.2%	20.9%	26.7%	25.7%	26.4%	24.1%
Depreciation & Amortisation	6,952	6,726	20,067	15,787	7,575	7,369	21,970	17,401
EBIT	5,035	3,710	13,022	7,981	5,871	4,498	15,383	9,753
Interest and Financing Cost (Net)	2,527	2,538	7,126	2,003	2,880	2,939	8,283	3,111
PBT	2,508	1,171	5,896	5,978	2,991	1,559	7,100	6,643
PAT	1,687	793	4,020	5,802	2,010	1,058	4,840	6,242
Cash Profit ⁵	9,452	7,884	25,945	21,868	10,558	8,913	29,052	24,147

While 8.8% sequential quarterly revenue growth brings back cheers to the company, the business outlook remains a paradox, a combination of tailwinds with strong customer traction and headwinds emerging from uncertain regulatory interventions and macro-economic environment.

This quarter, strong revenue growth is primarily led by seasonal return of minute's growth to 114 billion, a growth of 7.3%, compared to Q2FY12. The minutes volume expansion was supported by high 7.5 million net VLR subscriber additions during Q3FY12 against 3.2 million in Q2FY12. Idea continues its unblemished record of highest active subscriber ratio of 92.3% as per TRAI (Nov, 2011). The 106.4 million quality subscribers provide it the platform for accelerated future growth in Voice, VAS and Wireless broadband and related telecom services.

The company maintains the upward trend of Average Realisation Per Minute (ARPM) from 42.7p in Q2FY12 to 43.3p in Q3FY12. ARPM improvement was led by higher VAS contribution (13.2% in Q2FY12 to 13.7% in Q3FY12) and roaming revenue, while voice rate realisation remained flat.

The revenue growth has translated into EBITDA margin improvement by 1.2% over previous quarter, @ 23.7%. On a YoY basis absolute EBITDA has grown to Rs. 11,986 million (Q3FY12) in comparison to Rs. 8,214 million (Q3FY11).

However, the standalone YTD Q3FY12 PAT of Rs. 4,020 million has declined inspite of revenue growth, compared to YTD Q3FY11 PAT of Rs. 5,802 million, primarily on account of higher depreciation & amortisation and interest &



financing cost w.r.t. 3G investments, and higher provision for deferred tax. The Q3FY12 standalone PAT is Rs. 1,687 million and the Cash Profit of Rs. 9,452 million registered a growth of 19.9% on QoQ basis.

Company's 3G investment plans are on track and high speed broadband services are now available across 2,300 towns in 20 service areas (including roaming arrangements) in India. This quarter company introduced affordable Idea branded 3G Smart-phones starting from Rs. 5,850 onwards thereby helping Idea's 106 million subscribers to move to the new exciting digital age.

Company has improved its competitive standing to 14% revenue market share and extended its MNP leadership with net gain of 2.2 million customers (as on 14th January, 2012) from other existing operators.

The company is confident to overcome the current uncertain regulatory phase, emerge stronger, consolidate its position in telecom voice market and participate aggressively in evolving wireless broadband business.

Notes:

1. Idea Standalone represents Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the Joint Venture i.e. Indus.
2. Idea Consolidated represents Idea Standalone and proportionate consolidation of Indus (@16%).
3. Established Service Areas represent 13 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan and Himachal Pradesh, Punjab and Karnataka service areas.
4. New Service Areas represent 9 service areas of Mumbai, Bihar, Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East.
5. Cash Profit is calculated as summation of PAT, Depreciation & Amortisation, charge on account of ESOPs and Deferred tax, for the relevant period.
6. Figures for past periods have been regrouped, wherever necessary.
7. The Hon'ble High Court of Delhi on 4th July 2011 has reaffirmed its order dated 5th February 2010 sanctioning the Scheme of Amalgamation of Spice Communications Limited (Spice) with the Company. However the judgment transferred and vested unto the DoT, the six telecom licenses granted to erstwhile Spice along with the spectrum (including two operational licenses for Punjab and Karnataka service areas) till the time permission of DoT is granted for transfer thereof upon an application from the Company to that effect. Meanwhile, through interim orders, Appellate Bench had earlier directed DoT to accept the License Fee from the Company without prejudice, as the Company is continuing to operate the licenses for Punjab & Karnataka service areas granted to erstwhile Spice; maintain status quo in relation to the aforesaid two operating licenses and no coercive steps in relation to any demand pertaining to the four non operating licenses. The matter remains sub-judice at the High Court. The financial results therefore continue to include the results of Punjab & Karnataka service areas.
8. The Company has challenged, along with other Telecom Operators, order of DoT dated 23rd December 2011, ordering Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum. The Hon'ble TDSAT has passed a "no coercive action" order till the next date of hearing.

About Idea Cellular Ltd.

Idea Cellular is the third largest wireless operator in India with a Revenue Market Share of 14.0% (Q2FY12). 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 36 countries, is anchored by an extraordinary force of over 133,000 employees belonging to 42 nationalities, and derives over 60% of its revenues from operations outside India.