



## Media Release

Mumbai –Jan 29, 2013

Idea Cellular announces un-audited results for the Third Quarter (Q3) and Nine Months ended December 31, 2012

### Highlights – Q3 FY13

- Idea – Standalone<sup>1</sup> – Revenue Rs. 56,135 mn, EBITDA Rs. 13,173 mn, PAT Rs. 1,910 mn
- Idea – Consolidated<sup>2</sup> – Revenue Rs. 55,785 mn, EBITDA Rs. 14,734 mn, PAT Rs. 2,286 mn

	Idea Standalone <sup>1</sup>				Idea Consolidated <sup>2</sup>			
	Q3FY13	Q2FY13	YTD Q3 FY13	YTD Q3 FY12	Q3FY13	Q2FY13	YTD Q3 FY13	YTD Q3 FY12
Revenue - Established Service Areas <sup>3</sup>	49,309	47,064	145,187	127,469				
Revenue - New Service Areas <sup>4</sup>	6,826	6,417	19,810	15,296				
Total Revenue	56,135	53,481	164,997	142,765	55,785	53,140	163,962	141,714
EBITDA - Established Service Areas <sup>3</sup>	14,967	14,377	43,919	37,984				
EBITDA - New Service Areas <sup>4</sup>	(1,793)	(1,762)	(5,241)	(4,895)				
Total EBITDA	13,173	12,615	38,677	33,089	14,734	14,225	43,315	37,353
EBITDA% - Established Service Areas <sup>3</sup>	30.4%	30.5%	30.2%	29.8%				
EBITDA% - New Service Areas <sup>4</sup>	-26.3%	-27.5%	-26.5%	-32.0%				
Total EBITDA%	23.5%	23.6%	23.4%	23.2%	26.4%	26.8%	26.4%	26.4%
Depreciation & Amortisation	8,190	7,881	23,757	20,067	8,836	8,526	25,686	21,970
EBIT	4,983	4,734	14,920	13,023	5,898	5,700	17,629	15,383
Interest and Financing Cost (Net)	2,056	1,825	6,257	7,126	2,416	2,164	7,250	8,283
Dividend from Indus	-	1,543	1,543	-	-	-	-	-
PBT	2,926	4,452	10,206	5,897	3,482	3,536	10,379	7,101
PAT	1,910	3,519	7,410	4,021	2,286	2,400	7,027	4,841
Cash Profit <sup>5</sup>	11,085	12,313	33,900	25,944	12,141	11,858	35,521	29,052

In-spite of regulatory interventions impacting 'Subscriber Acquisition' & 'Value Added Services' business model, Idea is pleased to report a sequential quarterly revenue growth of 5%. The Standalone Revenue of Rs. 56,135 million during the quarter is an improvement of 10.8% on YoY basis against Q3FY12 revenue of Rs. 50,652 million.

The quarterly revenue growth is primarily led by expansion of Voice Minutes @5.2% to 132.2 billion minutes compared to 125.6 billion minutes in Q2FY13, indicating consumer demand for voice telephony remains robust. The company clocked 2.9 million VLR subscriber additions in Q3FY13 against 0.6 million additions in Q2FY13, despite implementation of stricter verification norms.

Contrary to expectation, the 'Average Realised Rate per Minute' (ARPM) fell this quarter to 41.1p against 41.3p/minute in Q2FY13. The challenge on ARPM is on account of fall in the 'Non-Voice Revenue' contribution to 14.6%, driven down 1% over the last quarter, by TRAI's new VAS regulation.

The standalone EBITDA was at Rs. 13,173 million compared to Rs. 12,615 million in the previous quarter. The EBITDA margin is marginally lower @23.5% on account of higher inflationary burden in 'Network operating expense' led by full quarter impact of increased diesel price & larger outlay for 'Advertising & Business Promotion' expense. The cost of acquiring a customer also increased to meet the new guidelines on subscriber verification, largely offsetting the benefit of lower customer churn @ 6.9% and reduced gross additions



Adverse currency movement has resulted in forex loss of Rs. 133 million during the quarter against a forex gain of Rs. 180 million in Q2, reflected in increased interest and finance cost (net).

Idea maintained trend of Free Cash Flow (after Capex but excluding spectrum payout). However, the PAT at Rs. 1,910 million and Cash Profit at Rs. 11,085 million for the quarter were lower compared to previous quarter primarily due to dividend payment received from Indus in Q2FY13.

In the recently concluded 1800MHz November 2012 spectrum auction, company won back spectrum in all 7 service areas for which licenses were quashed by the Hon'ble Supreme Court, at a bid amount of Rs. 19,848 million for a period of 20 years, ensuring continuity of services to more than 8 million Idea customers in these service areas and pan-India presence for the company.

Idea continues to invest in long term value creators – launched 2,961 new sites (2G+3G), expanded optical fibre network to 71,600 km and strengthened network capacities in NLD, ILD, ISP, Data Services and Devices.

Out of the existing 114 million subscriber base, the number of Idea customers adopting data services has exponentially grown to 21.75 million, now contributing 5.7% to Service Revenue. The Data volume grew by 14.8% to 9,575 TB in Q3FY13 (8,339 TB in Q2FY13), while data revenue on sequential quarter basis grew by 10.8%. The active 3G subscriber base for the company now stands at 4.1 million.

Idea is confident to overcome the current uncertain regulatory phase, emerge competitively stronger as the overcapacity comes to an inevitable decline, consolidate its position in the telecom voice market and aggressively expand in the ever 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 which 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.

**About Idea Cellular Ltd.**

Idea Cellular is the third largest wireless operator in India with a Revenue Market Share of 14.3% (Q2FY13). 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 136,000 employees belonging to 42 nationalities, and derives over 53% of its revenues from operations outside India.