Media Release

Mumbai – January 27, 2014

Idea Cellular announces un-audited results for the Third Quarter (Q3) and Nine Months ended December 31, 2013

Highlights – Q3 FY14

- Idea – Standalone[1] – Revenue Rs. 66,105mn, EBITDA Rs. 18,135mn, PAT Rs. 3,981mn
- Idea – Consolidated[2] – Revenue Rs. 66,131mn, EBITDA Rs. 20,557mn, PAT Rs. 4,677mn

INR mn

	Idea Standalone[1]				Idea Consolidated[2]			
	Q3FY14	Q2FY14	YTD Q3FY14	YTD Q3FY13	Q3FY14	Q2FY14	YTD Q3FY14	YTD Q3FY13
Revenue - Established Service Areas [3]	62,779	59,853	184,597	145,187				
Revenue - New Service Areas [4]	3,326	3,317	10,033	19,810				
Total Revenue	66,105	63,170	194,630	164,997	66,131	63,233	194,751	163,962
EBITDA - Established Service Areas [3]	19,716	18,689	58,155	43,919				
EBITDA - New Service Areas [4]	(1,581)	(1,259)	(4,154)	(5,241)				
Total EBITDA	18,135	17,430	54,001	38,677	20,557	19,715	61,035	43,315
EBITDA% - Established Service Areas [3]	31.4%	31.2%	31.5%	30.2%				
EBITDA% - New Service Areas [4]	-47.5%	-37.9%	-41.4%	-26.5%				
Total EBITDA%	27.4%	27.6%	27.7%	23.4%	31.1%	31.2%	31.3%	26.4%
Depreciation & Amortisation	10,671	9,811	30,888	23,757	11,666	10,795	33,814	25,686
EBIT	7,465	7,619	23,113	14,921	8,891	8,920	27,221	17,629
Interest and Financing Cost (Net)	1,213	1,575	4,621	6,257	1,575	1,949	5,735	7,250
Dividend from Indus	-	-	838	1,543	-	-	-	-
PBT	6,251	6,044	19,331	10,206	7,316	6,971	21,486	10,379
PAT	3,981	3,984	12,794	7,411	4,677	4,476	13,780	7,028
Cash Profit [5]	15,663	14,555	47,656	33,901	17,435	16,164	51,864	35,521

Note: Mumbai and Bihar service areas have been included in Established Service Areas from Q1FY14, previous quarters figures have not been restated.

Continuing with its long term trajectory of expanding market share, Idea Q3FY14 standalone revenue grew by 17.8% from Rs. 56,135 million (Q3FY13) to Rs. 66,105 million (Q3FY14) on back of 9.4% annual growth in 'Total Minutes of Use' and 107.6% in data volume.

Consumer preference for brand Idea continues to rise as company added 18 million incremental subscribers (on VLR) in calendar year 2013, now serving 129 million subscribers. Idea supported its consumer centricity vision by launching highest ever 18,297 new sites (2G+3G) during calendar year 2013 expanding Idea presence to over 344,000 towns and villages. The company maintains its enviable 5 years track record of 'fastest growing Indian mobile operator' with 'VLR Subscriber Market Share' @ 16.7% and 'Revenue Market Share' @ 15.8% in Q2FY14, an improvement of over 1% in last one year. The quality of Idea subscribers improved as ARPU increased to Rs. 169 (v/s Rs. 158 in Q3FY13) and subscriber churn fell by 1.2% to 5.6% (v/s Q3FY13).

Inspite of higher network expansion and inflationary pressures, Idea continued its record of sharp YoY EBITDA growth @ 37.7%. During 2013, the company improved its EBITDA margin by 4.0% to 27.4% mainly on the strength of improved rate realisation (ARPM), cost optimisation and scale benefits.

The 'Value Added Services' (VAS) contribution increased to 16.1% of 'Service Revenue' (14.6% in Q3FY13), despite steep decline in 'Non Data VAS' service contribution from 8.9% (Q3FY13) to 6.6% in Q3FY14. The higher 'Mobile Data' adoption has primarily led to VAS growth with Data revenue as % of 'Service Revenue' improving by 3.8% to 9.5% in last one year.

From this quarter, Company eliminated incidental data users reporting; thereby overall mobile data users base has fallen to 25.5 million (2G+3G), but the mobile data ARPU has improved to Rs. 91 in Q3FY14 (v/s Rs. 52 in Q3FY13). The blended mobile data usage per user grew to 309 MB (2G+3G) as total data volume exploded @ 107.6% to 20.8 bn MB in Q3FY14 (v/s 10.0 bn MB in FY13). However, with a grim battle for data supremacy, the 'Average Realised Rate per MB' (ARMB) fell sharply by 1.3 paisa from 31.0p/MB (Q3FY13) to 29.6p/MB (Q3FY14).

The company added 4.6 million new 3G users during 2013 with 3G EoP user base (Voice and/ Data) now at 8.7 million. The 3G user mobile data ARPU is steady at Rs.112 per month.

The double bottom line drivers of Voice and Data business helped Idea more than double its 'Profit After Tax' (PAT) from Rs. 1,911 million in Q3FY13 to Rs. 3,981 million in Q3FY14. The Cash Profit for the company remained healthy at Rs. 15,663 million a growth of 41.3% over Q3FY13, helping reduce Net Debt by Rs. 27,364 million during 2013 to Rs. 89,458 million.

At Consolidated level, including Indus 16% contribution, Idea revenue has grown by 18.5% on YoY basis and Consolidated EBITDA by 39.5%. The Consolidated EBITDA margin on YoY basis has improved by 4.7% to 31.1% in Q3FY14. The Consolidated Idea PAT at Rs. 4,677 million, including Rs. 696 million Indus contribution grew by 104.6% compared to Q3FY13 PAT at Rs. 2,286 million.

The growing consumer demand and brand affinity, expanding infrastructure and strong cash flows of Idea reaffirms company ability to remain on course with its stated mission of consistent, competitive, responsible and profitable growth and meet all volatile, uncertain, complex and ambiguous developments, as it consolidates its market standing both in mobile voice and data market.

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 15 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan, Himachal Pradesh, Punjab, Karnataka as well as Mumbai and Bihar service areas from Q1FY14 onwards. For FY13 Established Service Areas were 13, not including Mumbai and Bihar
4. New Service Areas represent 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East from Q1FY14 onwards. For FY13 New Service Areas were 9, including Mumbai and Bihar.
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 15.8% (Q2FY14). 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 more than 30 countries, is anchored by an extraordinary force of over 136,000 employees belonging to 42 nationalities, and derives over 50% of its revenues from operations outside India.