Media Release

Mumbai –April 28, 2014

Idea Cellular announces audited results for the Fourth Quarter (Q4) and Year ended March 31, 2014

Highlights – Q4 FY14

- Idea – Standalone[1] – Revenue Rs. 70,406mn, EBITDA Rs. 19,881mn, PAT Rs. 5,138mn
- Idea – Consolidated[2] – Revenue Rs. 70,438mn, EBITDA Rs. 22,302mn, PAT Rs. 5,898mn

INR mn

	Idea Standalone[1]				Idea Consolidated[2]			
	Q4FY14	Q3FY14	FY14	FY13	Q4FY14	Q3FY14	FY14	FY13
Revenue - Established Service Areas [3]	66,699	62,779	251,296	198,459				
Revenue - New Service Areas [4]	3,707	3,326	13,741	27,490				
Total Revenue	70,406	66,105	265,036	225,949	70,438	66,131	265,189	224,576
EBITDA - Established Service Areas [3]	21,555	19,716	79,710	60,621				
EBITDA - New Service Areas [4]	(1,674)	(1,581)	(5,828)	(6,907)				
Total EBITDA	19,881	18,135	73,883	53,715	22,302	20,557	83,337	60,046
EBITDA% - Established Service Areas [3]	32.3%	31.4%	31.7%	30.5%				
EBITDA% - New Service Areas [4]	-45.2%	-47.5%	-42.4%	-25.1%				
Total EBITDA%	28.2%	27.4%	27.9%	23.8%	31.7%	31.1%	31.4%	26.7%
Depreciation & Amortisation	10,402	10,671	41,291	32,142	11,380	11,666	45,194	34,778
EBIT	9,479	7,465	32,592	21,572	10,922	8,891	38,143	25,268
Interest and Financing Cost (Net)	1,653	1,213	6,274	8,184	1,966	1,575	7,700	9,495
Dividend from Indus	-	-	838	1,543	-	-	-	-
PBT	7,825	6,251	27,156	14,931	8,956	7,316	30,443	15,774
PAT	5,138	3,981	17,932	10,080	5,898	4,678	19,678	10,109
Cash Profit [5]	16,694	15,663	64,350	46,968	18,505	17,435	70,369	49,795

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

Idea continues its enviable track record of being the fastest growing Indian Mobile operator with 17.3% growth in gross revenue in FY14 to Rs. 265,036, nearly double the wireless Industry growth rate. The 6.5% sequential quarterly revenue growth in Q4FY14 is driven by sharp expansion of voice minutes @8.6% to 157.1 billion minutes and mobile data volume (2G+3G) growth @ 31.0% to 27.3 billion MB vs Q3FY14, indicating strong consumer demand for Idea mobile telephony.

The company clocked 17.7 million Net subscribers on VLR in FY14 against 14.9 million Net subscriber VLR additions in FY13 strengthening its presence in Indian Mobile Market. Idea now serves 137.9 million quality subscribers as on 31st March 2014. The company strengthened its competitive standing with 'VLR Subscriber Market Share' @17.3% (February 2014) & 'Revenue Market Share' (RMS) @16.1% in Q3FY14, an RMS improvement of over 1.3% compared to Q3FY13. The quality of Idea subscribers also improved as ARPU increased to Rs.173 (vs Rs.169 in Q3FY14) and subscriber blended churn fell by 1.4% to 4.2% (vs Q3FY14).

The three quarters uptrend of 'Average Realisation per Minute' (ARPM) was halted with decline in ARPM by 2.8% to 43.6p from 44.9p but the voice elasticity of demand more than compensated the ARPM fall. In comparison, the company improved 'Non Voice Revenue' share to 16.5% (16.1% in Q3FY14) led by data growth.

The exponential growth of volume helped Data revenue reach 10.1% of overall 'Service Revenue' in Q4FY14, an increase of 3.5% over last one year. The company further revised Data subscriber definition, by eliminating from its reporting incidental data users of less than 1 Megabyte/month; there by Idea mobile Data user base remains nearly flat at 25.3 million (2G+3G). Consequently, blended (2G+3G) Data ARPU improved to Rs. 104 and Mobile Data Usage per Data subscriber grew to 410 MB (2G+3G) in Q4FY14. The 'Average Realisation per MB' (ARMB) fell sharply by 4.3p in Q4FY14 to 25.3p, a harsh reminder of market place battle.

The company added 5.1 million new 3G users in FY14 with 3G EoP base now at 10.2 million. The 3G user mobile data ARPU is steady at Rs. 111 per month. Idea supported its consumer centricity vision by aggressive Network expansion of 4,241 3G NodeBs, 14,684 GSM sites and ~ 8,000 km of OFC during FY14 expanding its rural coverage and strengthening urban Voice and Data Network.

Inspite of higher Network expansion and inflationary pressures, Idea recorded this financial year annual EBITDA growth @ 37.5% to Rs. 73,883 million over FY13 helping improve its standalone EBITDA margin by 4.1% to 27.9%. The strong Q4FY14 revenue growth has translated into EBITDA margin improvement of 0.8% with sequential quarterly EBITDA growth of 9.6%.

The double bottom line drivers of Voice and Data Business helped Idea grow its standalone Profit After Tax (PAT) from Rs. 10,080 million in FY13 to Rs.17,932 million this financial year. At consolidated level including Indus 16% contribution, Idea revenue grew by 18.1% on Financial Year basis & consolidated EBITDA by 38.8% helping margin improve by 4.7% to 31.4% in FY14.

In the recently concluded February 2014 spectrum Auction, Idea won 65.2 MHz of spectrum including 5MHz of 900 MHz spectrum for Delhi & 45 MHz contiguous spectrum of 1800 MHz spectrum band (out of 60.2 MHz). This 50 MHz contiguous spectrum (in 9 service areas) offers an option for Idea to expand its data network footprint on 3G platform in Delhi and LTE in 8 service areas of Kerala, Maharashtra & Goa, Andhra Pradesh, Karnataka, Madhya Pradesh & Chhattisgarh, Punjab, Haryana and North East, at an opportune time, as and when the market and technology mature.

In this February 2014 spectrum auction company has committed an amount of Rs.104,242 million including upfront payment of Rs.31,436 million and Rs.72,806 million as government 'Deferred Payment Liabilities towards spectrum'. Thus, inspite of generating Rs. 64,350 million Cash Profit in FY14 an increase of 37.0% over FY13, Idea Net debt has increased to Rs. 191,855 million and Q4FY14 Net Debt to Annualised Q4 EBITDA to 2.41. The government 'Deferred Payment Liabilities towards spectrum' is reflecting as Debt in our books.

With a strong performance, the board of Idea has recommended dividend @ 4%, an overall payment of Rs. 1,554 million (including dividend distribution tax).

As Mobility market services expand, Indian Telecom business offers exciting growth opportunities in Mobile Broadband and Rural voice telephony. Brand Idea with growing consumer affinity, strong Cash flows, expanding spectrum profile and infrastructure, reaffirms its ability to overcome current uncertain phase, emerge stronger and consolidate its market position to tap emerging voice and wireless broadband opportunities.

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 16.1% (Q3FY14). 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.

Idea Cellular Limited - CIN L32100GJ1996PLC030976

Registered Office: Suman Tower, Plot No. 18, Sector 11, Gandhinagar 382011, Gujarat, India

Tel: 91 79 6671 4000, Fax: 91 79 2323 2251. Web Site: www.ideacellular.com; E-mail: info@ideacellular.com.