



Media Release

Mumbai –April 28, 2016

Idea Cellular announces audited results for the Fourth Quarter (Q4) and Financial Year ended March 31, 2016

Highlights – Q4 FY16

- Idea – Standalone¹ – Revenue Rs. 94,818mn, EBITDA Rs. 33,199mn, PAT Rs. 4,650mn
- Idea – Consolidated² – Revenue Rs. 94,839mn, EBITDA Rs. 36,160mn, PAT Rs. 5,756mn

	INR million							
	Idea Standalone ¹				Idea Consolidated ²			
	Q4FY16	Q3FY16	FY16	FY15	Q4FY16	Q3FY16	FY16	FY15
Revenue - Established Service Areas ³	88,132	84,063	3,35,757	2,97,521				
Revenue - New Service Areas ⁴	6,686	6,026	23,914	18,027				
Total Revenue	94,818	90,089	3,59,671	3,15,548	94,839	90,097	3,59,809	3,15,709
EBITDA - Established Service Areas ³	34,369	30,295	1,25,522	1,04,835				
EBITDA - New Service Area ⁴	(1,170)	(1,782)	(6,424)	(7,156)				
Total EBITDA	33,199	28,513	1,19,098	97,679	36,160	31,285	1,30,300	1,08,118
EBITDA% - Established Service Areas ³	39.0%	36.0%	37.4%	35.2%				
EBITDA% - New Service Areas ⁴	-17.5%	-29.6%	-26.9%	-39.7%				
Total EBITDA%	35.0%	31.6%	33.1%	31.0%	38.1%	34.7%	36.2%	34.2%
Depreciation & Amortisation	18,661	15,206	62,321	48,989	19,737	16,231	66,508	53,036
EBIT	14,538	13,307	56,777	48,690	16,423	15,054	63,792	55,081
Interest and Financing Cost (Net)	7,513	3,175	15,764	4,718	7,678	3,349	16,545	5,755
Dividend from Indus			-	6,250				
PBT	7,025	10,132	41,013	50,223	8,745	11,705	47,247	49,326
PAT	4,650	6,614	26,766	34,772	5,756	7,642	30,799	31,929
Cash Profit ⁵	26,858	23,493	1,01,201	84,820	29,013	25,512	1,09,323	86,162

After 6 quarters of steep fall in Voice and Mobile Data Realised Rate, Idea by clamping down on promotional offers in Q4FY16 for new & existing customers, is pleased to share a) Voice realised rate improved by 4.4% from 31.8p/min in Q3FY16 to 33.3p/min and b) Mobile data realised rate improved from 22.3p/MB to 22.9p/MB, QoQ increase of 2.9%.

With reduced consumer promotions this quarter, the subscriber & volume growth was slower as only a) 1.9 million net quarterly subscriber addition, customer EoP base of 183.8 million (on VLR, 31st March, 2016) b) QoQ Voice minutes growth @1.2% to 201.6 billion minutes and c) Net mobile data volume (2G+3G+4G) QoQ growth @1.5% to 82.2 billion MB. In spite of slow volume growth, the sequential quarterly revenue growth is robust @5.2%. The improved revenue growth led by better rate realisation helped Idea deliver strong 16.4% sequential quarterly EBITDA growth at Rs. 33,199 million for Q4FY16 and QoQ EBITDA margin improvement of 3.4%, from 31.6% in Q3FY16 to 35%.

On the Financial Year basis, Idea continues its enviable track record of being amongst the fastest growing large Indian Mobile operator for 8 straight years with 14.0% annual revenue growth in FY16 at Rs. 359,671 million (normalised revenue growth of 17.8% after adjusting for change in IUC), against Rs. 315,548 million in FY15 (19.1% vs FY14). Idea revenue growth is likely to be over 2 times the mobile industry revenue growth, estimated at a low level of 5.5% to 6% in FY16, against industry FY15 over FY14 growth of 10.8%. Primary reasons for lower mobile industry growth in FY16 are a) TRAI directed drop in mobile IUC settlement charge from 20p/min to 14p/min effective 01st March 2015, b) Reduction in upper



cap for national roaming & SMS charges, c) intense battle for new subscribers in Voice segment and d) Slower new customer uptake for wireless broadband against colossal supply increase both, by existing 3G operators expanding coverage and launch of new 3G & 4G markets from spectrum acquired by Telecom licensees in Auction of 2014 & 2015.

The factors driving Idea ahead of industry revenue growth in FY16 over FY15 were volume led including a) 22.4 million VLR subscribers addition in the year b) Voice minutes annual growth @ 15% to 786 billion minutes and c) Mobile data volume (2G+3G+4G) yearly expansion @72.7% to 298 billion MB. However, in spite of Q4 vs Q3FY16 realised rate improvement, FY16 overall price realisation vs FY15 declined in Voice @ 8.3% (including IUC impact) and Mobile data rate decline @11.8%, depressing Idea overall annual revenue growth. Competitively, the company continues to improve its Revenue Market Share (RMS) expanding it to 18.9% (Q3FY16), an improvement of 1.4% compared to Q3FY15 and Subscriber Market Share (VLR) to 19.7% (February 2016), an improvement of 1.1% in last one year.

On 23rd December, 2015, Company took the historic giant leap in its telecom journey with launch of its 4G LTE services. In the last 100 days, Idea has moved fast, introducing 4G services for 3,946 towns & villages in 10 service areas (Maharashtra & Goa, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Kerala, Haryana, Punjab, Karnataka, Orissa, NESA and Tamil Nadu incl. Chennai), covering 116 million Indians, 21% of overall population in these 10 circles. As of 31st March 2016, over 680,000 customers are actively using the Idea 4G services. The company has built massive high speed wireless broadband (3G+4G) capacity in short span of time, a clear testimony of its ability to compete.

Besides 4G, during the year Idea continued its 3G expansion & its 3G data volume exploded by nearly 2.1 times from 91.2 billion MB in FY15 to 188.8 billion MB in FY16. In addition to launch of new 3G services in Kolkata service area in Q3FY16, Idea introduced 3G 2nd Carrier on 900 MHz in Maharashtra and Madhya Pradesh in Q4FY16, extending its 3G 900 MHz services to 3 circles (including Delhi Metro).

The company added 8.4 million new 3G users in last one year, now serving overall 22.9 million 3G data customers, though still a low penetration of 13.1% of EoP Subscribers. Presently, 60.4 million (annual increase of 23.9 million) of Idea's strong 175 million EoP subscribers have upgraded their phone to 3G/4G smartphone including 11.1 million 4G smartphone owners (6.3% of its EoP). The overall Idea Mobile Data user (2G+3G+4G) penetration is now @ 25.1% (of EoP); 44 million data subscribers with blended mobile data ARPU (2G+3G+4G) at Rs. 147 in Q4FY16 (vs Rs. 150 in Q4FY15). The mobile data revenue is now contributing 20.1% of service revenue and Non Voice revenue contribution has increase to 28.3% (vs 24.5% in Q4FY15).

In FY16, Idea has more than doubled its past three years average capex spends with network investment of Rs. 77.7 billion. During the year, the company integrated highest ever 48,878 sites (14,466 2G Sites, 19,769 3G sites and 14,643 4G sites) reaching a total of 191,536 sites, fully funded from Cash Profit of Rs. 101,201 million. Idea also expanded its fibre coverage by doubling its annual rollout to 22,100 KM (vs 11,400 KM in FY15), reaching 115,500 KM of OFC presence. With exponential network coverage & capacity expansion in FY16, Idea GSM coverage has reached nearly 1 billion Indian spread over more than 390,000+ towns & villages. Wireless broadband coverage has expanded to 388 million Indian across 17 circles, covering 61,975 towns & villages. Idea's own 3G spectrum in 13 service areas today covers 50% of these circles population.

In spite of higher network expansion and multiple inflationary & regulatory pressures, Idea FY16 standalone EBITDA grew by 21.9% and stands at Rs. 119,098 million, helping EBITDA margin improve by 2.2% from 31% in FY15 to 33.1%.



The increase in 'Depreciation & Amortisation' charge to Rs. 62,321 million and 'Interest & Finance Cost (net)' of Rs. 15,764 million during FY16 reflects additional charges on account of a) Renewal of existing licenses in 7 established circles w.e.f. Dec 2015, b) Launch of 4G services in 10 circles from Dec 2015, c) Introduction of 3G 2nd carrier 900 MHz in 2 circles during Q4FY16 d) Launch of 3G services in Kolkata metro during Q3FY16.

Therefore, inspite strong EBITDA growth, Idea Standalone 'Profit After Tax' for FY16 stands at Rs. 26,766 million against Rs. 28,522 million in FY15 (excluding Indus Dividend). However, the Annual Cash Profit of Rs. 101,201 million for FY16 grew by 19.3% (vs Rs. 84,820 million in FY15). The Net Debt as on 31st March, 2016 stands at Rs. 387.5 billion, including all Deferred Payment Liability from Auctions. The Net Debt to Annualised Q4FY16 EBITDA stands at 2.92 times.

During the quarter, Idea & Videocon jointly decided to terminate the Agreement for 'Transfer of Right to Use 1800 MHz spectrum', with no liability.

At consolidated level including 16% Indus contribution, Idea gross revenue in Q4FY16 has grown by 12.6% on YoY basis to Rs. 94,839 million, the EBITDA at Rs. 36,160 million grew by 18%, EBITDA margin improved by 1.7% to 38.1% and this quarter PAT stands at Rs. 5,756 million.

With consistent performance, the board of Idea is pleased to recommend dividend @ 6%, an overall payment of Rs. 2,600 million (including dividend distribution tax).

FY16 results once again demonstrate, Idea is on course of its stated mission of consistent, competitive, responsible and profitable growth. The ever improving brand affinity, accelerated pan India infrastructure expansion and strong cash flows are lead indicators of Idea's ability to meet all volatile, uncertain, complex and ambiguous developments. Company remains nimble, agile, adaptable & confident to capitalize all emerging opportunities 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, Mumbai and Bihar service areas.
4. New Service Areas represent 7 service areas of 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 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 18.9% (Q3FY16). 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, which is one of the largest business groups in India. The Aditya Birla Group is a conglomerate with operations in more than 30 countries. The Aditya Birla group has a history of over 50 years and has businesses in, among others, mobile telecommunications, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries.