



## Media Release

Mumbai – October 20, 2014

Idea Cellular announces un-audited results for the Second Quarter (Q2) and Half Year ended September 30, 2014

### Highlights – Q2 FY15

- Idea – Standalone<sup>1</sup> – Revenue Rs. 75,673mn, EBITDA Rs. 22,394mn, PAT Rs. 7,794mn
- Idea – Consolidated<sup>2</sup> – Revenue Rs. 75,699mn, EBITDA Rs. 24,907mn, PAT Rs. 7,559mn

	INR mn							
	Idea Standalone <sup>1</sup>				Idea Consolidated <sup>2</sup>			
	Q2FY15	Q1FY15	H1FY15	H1FY14	Q2FY15	Q1FY15	H1FY15	H1FY14
Revenue - Established Service Areas <sup>3</sup>	71,437	71,547	1,42,984	1,21,818				
Revenue - New Service Areas <sup>4</sup>	4,236	4,015	8,252	6,707				
<b>Total Revenue</b>	<b>75,673</b>	<b>75,562</b>	<b>1,51,236</b>	<b>1,28,525</b>	<b>75,699</b>	<b>75,610</b>	<b>1,51,309</b>	<b>1,28,620</b>
EBITDA - Established Service Areas <sup>3</sup>	24,192	24,325	48,517	38,119				
EBITDA - New Service Area <sup>4</sup>	(1,798)	(1,729)	(3,527)	(2,616)				
<b>Total EBITDA</b>	<b>22,394</b>	<b>22,596</b>	<b>44,990</b>	<b>35,503</b>	<b>24,907</b>	<b>25,038</b>	<b>49,945</b>	<b>40,115</b>
EBITDA% - Established Service Areas <sup>3</sup>	33.9%	34.0%	33.9%	31.3%				
EBITDA% - New Service Areas <sup>4</sup>	-42.4%	-43.1%	-42.7%	-39.0%				
<b>Total EBITDA%</b>	<b>29.6%</b>	<b>29.9%</b>	<b>29.7%</b>	<b>27.6%</b>	<b>32.9%</b>	<b>33.1%</b>	<b>33.0%</b>	<b>31.2%</b>
Depreciation & Amortisation	10,774	10,586	21,360	20,218	11,788	11,545	23,333	22,148
EBIT	11,621	12,010	23,631	15,285	13,119	13,493	26,612	17,967
Interest and Financing Cost (Net)	1,176	2,005	3,181	3,043	1,445	2,275	3,720	3,796
Dividend from Indus	1,026	3,623	4,648	838	-	-	-	-
PBT	11,470	13,628	25,098	13,080	11,674	11,219	22,893	14,171
PAT	7,794	10,117	17,911	8,813	7,559	7,282	14,841	9,103
Cash Profit <sup>5</sup>	18,155	20,230	38,385	31,994	18,971	18,372	37,343	34,429

Note: Forex Loss/Gain which was part of net interest & finance cost earlier, has been regrouped to Other Expenditure (impacting the EBITDA). Past period figures are restated.

Idea Cellular is pleased to reverse the last 2 years trend of sequential revenue decline during the seasonally weak 'July to September' quarter due to contraction in 'Voice Minutes of Use', with an absolute revenue growth of Rs. 111 million. Idea standalone Q2FY15 revenue at Rs. 75,673 million has robust YoY growth @ 19.8% on back of 17% annual increase in Voice MoUs and 125.9% growth in 'Mobile Data Volume'.

During this quarter, the company carried 162.5 billion minutes on its network, less pronounced seasonal quarterly decline of 1.7%, in comparison to 5.8% minute decline in Q2 vs Q1FY14. In line with the emerging digital connectivity demand, Mobile Data volume exploded to 39.4 billion MB on its 2G+3G platform @ 21.3% QoQ growth, reaffirming consumer preference for brand Idea.

While the Voice rate realisation was under pressure, but 22.5% quarterly jump in Mobile Data revenue, contributing 14.0% to service revenue, helped Idea improve 'Average Realisation per Minute' (ARPM) by 0.8paise from 45.1p in Q1FY15 to 45.9p in Q2FY15. The 'Value Added Service' (VAS) contribution has improved sharply to 21.1% of service revenue, a gain of 4.9% over last one year.



The standalone EBITDA of Rs. 22,394 million grew by 29.5% on YoY basis due to multiple drivers including scale benefit, better cost management and robust net subscriber addition, voice minutes and data volume growth. Idea improved its EBITDA margin by 2.2% during last one year to 29.6%.

Including Indus dividend receipt of Rs. 1,026 million, the company has delivered excellent 'Profit After Tax' (PAT) at Rs. 7,794 million, nearly double the Q2FY14 PAT of Rs. 3,984 million.

Brand Idea continues its high subscriber growth momentum with 4.6 million net new customer additions in the quarter, now servicing 143.6 million EoP customer base as 'Average Revenue Per User' (ARPU) improved to Rs. 176 (Rs. 164 in Q2FY14) and MoU/Subscriber increased to 384 minutes (368 minutes in Q2FY14). The company continued its journey of strengthening its competitive market standing with VLR subscriber market share climbing to 17.8% (August 2014) and Revenue Market Share (RMS) in Q1FY15 @ 17.1%, an increase of 0.9% compared to Q1FY14.

Idea managed to maintain the mobile data 'Average Realisation per MB' (ARMB) at 26.5paise (vs 26.3p in Q1FY15). The explosive Mobile Data volume growth and steady ARMB has helped Mobile data quarterly revenue cross Rs. 10 billion mark. The Mobile Data consumer base has risen in this quarter by 3.1 million to 30.9 million. The blended data ARPU (2G+3G) has also improved to Rs. 119 and 'Usage per data subscriber' is now at 447 MB. The 3G (Voice+Data) customer grew steadily to 13.3 million but still represents only 9.3% of Ideas' total subscriber base. In comparison, the 3G phone penetration among Idea subscribers is improving and over 17% of Idea users own high speed 3G devices.

In July 2014, company allotted 51.84 million equity shares at an issue price of Rs. 144.68 per Equity Share (including a premium of Rs. 134.68 per Equity Share), aggregating to approx. Rs. 7,500 million, on preferential basis to its telecom partner - Axiata Investments 2 (India) Limited, an affiliate of Axiata Group. With additional Equity infusion and strong Cash Profit of Rs. 18,155 million in the quarter, Idea has reduced its Net Debt by Rs. 21,500 million to Rs. 118,269 million. The Net Debt to Annualised EBITDA ratio stands at 1.32, providing the company sufficient headroom to participate in the forthcoming 900 MHz spectrum renewal auction.

For Q2FY15, on consolidated basis including Indus 16% contribution, Idea revenue grew by 19.7% against same quarter year ago and YoY EBITDA rose by 27.2%, driving the EBITDA margin to 32.9%. The consolidated PAT at Rs. 7,559 million has grown sharply by 68.9% from Rs. 4,476 million in Q2FY14.

The strong consumer demand & brand association, expanding 2G & 3G network footprint, competitive spectrum portfolio with steady Cash flows from Operations affirms Idea ability to deliver consistent, competitive, responsible and profitable growth. The company is well geared to meet all volatile, uncertain, complex and ambiguous developments and remains on course of its mission to improve its market standing both in Mobile voice and data 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 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 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 17.1% (Q1FY15). 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.

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