



Media Release

Mumbai – Oct 25, 2010

Idea Cellular announces un-audited results for the second quarter (Q2) and half year ended September 30, 2010

Highlights – Q2 FY11

- Idea – Standalone¹ – Revenue Rs. 36,891mn, EBITDA Rs. 7,618mn, PAT Rs. 1,630mn
- Idea – Consolidated² – Revenue Rs. 36,592mn, EBITDA Rs. 8,788mn, PAT Rs. 1,797mn

| | INR mn | | | | | | | |
|--|------------------------------|---------------|---------------|---------------|--------------------------------|---------------|---------------|---------------|
| | Idea Standalone ¹ | | | | Idea Consolidated ² | | | |
| | Q2 FY11 | Q1 FY11 | H1FY11 | H1FY10 | Q2 FY11 | Q1 FY11 | H1FY11 | H1FY10 |
| Revenue - Established Service Areas ³ | 33,507 | 33,833 | 67,340 | 54,543 | | | | |
| Revenue - New Service Areas ⁴ | 3,384 | 3,063 | 6,448 | 3,249 | | | | |
| Total Revenue | 36,891 | 36,897 | 73,787 | 57,792 | 36,592 | 36,537 | 73,129 | 59,498 |
| EBITDA - Established Service Areas ³ | 9,047 | 9,337 | 18,384 | 16,482 | | | | |
| EBITDA - New Service Areas ⁴ | (1,429) | (1,401) | (2,829) | (1,474) | | | | |
| Total EBITDA | 7,618 | 7,937 | 15,554 | 15,007 | 8,788 | 8,884 | 17,672 | 16,694 |
| EBITDA% - Established Service Areas ³ | 27.0% | 27.6% | 27.3% | 30.2% | | | | |
| EBITDA% - New Service Areas ⁴ | -42.2% | -45.7% | -43.9% | -45.4% | | | | |
| Total EBITDA% | 20.7% | 21.5% | 21.1% | 26.0% | 24.0% | 24.3% | 24.2% | 28.1% |
| Depreciation & Amortisation | 5,265 | 5,160 | 10,425 | 8,264 | 5,820 | 5,656 | 11,476 | 9,352 |
| Other Receipt | - | - | - | (317) | - | - | - | (317) |
| EBIT | 2,353 | 2,776 | 5,129 | 7,060 | 2,968 | 3,228 | 6,196 | 7,660 |
| Interest and Financing Cost (Net) | 665 | 766 | 1,431 | 963 | 1,028 | 1,142 | 2,169 | 1,926 |
| PBT | 1,688 | 2,010 | 3,698 | 6,097 | 1,940 | 2,087 | 4,027 | 5,733 |
| PAT | 1,630 | 1,964 | 3,594 | 5,582 | 1,797 | 2,014 | 3,811 | 5,172 |
| Cash Profit ⁵ | 6,982 | 7,213 | 14,194 | 14,401 | 7,789 | 7,785 | 15,574 | 15,126 |

Note: Spice Communications was amalgamated into Idea Cellular with an appointed date of March 01, 2010. Accordingly, previous year figures (H1FY10) for Idea Standalone exclude Spice Communications, and for Idea Consolidated include proportionate consolidation.

With the increasing contribution of rural India to the total subscriber base, the July-September quarter is expectedly a period of marked subdued seasonal demand. Notwithstanding this, total Minutes on Network for Q2 expanded by 3% over the previous quarter. The average realised rate per minute for Q2 was 42p, exhibiting a slowing rate of decline for the last two quarters, compared to the precipitate decline of earlier quarters. Revenue for Q2 was similar to Q1, with expanding Minutes neutralising the rate drop, although margins compressed marginally due to increased costs in the quarter (the decline in H1FY11 margin for Established Service Areas compared to the previous year is primarily due to the Spice amalgamation and the increase in spectrum charges). Essentially, other than the seasonality effect, results for Q2 and for the earlier Q1 both display the same trend of an abatement in the rate of price decline, and an improvement of revenue market share for stronger operators like Idea.



Interest of Rs. 1,207 mn was capitalised during the quarter against payment for 3G auction fee. The PAT for the quarter was Rs. 1,630 mn on a standalone basis, with Cash Profit staying healthy at Rs. 6,982 mn.

Idea was awarded 3G spectrum in 11 important service areas, where it is in the process of rolling out extensive 3G networks. Further, Idea is pursuing long-term arrangements with select quality operators for service areas where Idea was not awarded 3G spectrum. Together, these will enable Idea subscribers, throughout the country, to enjoy what will be the gold standard in 3G services, apart of course, from deriving the benefit of nation-wide roaming.

Based on its spectrum profile, its brand power, sophisticated processes, service area specific strategy and strong balance sheet, Idea is poised to translate sector opportunities, into enduring competitive advantage.

Notes:

1. Idea Standalone represents Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the JVs, Spice (till February 28, 2010) and Indus.
2. Idea Consolidated represents Idea, its 100% subsidiaries, and its JVs, grouped together. In addition to Idea Standalone, this covers the proportionate consolidation of Indus (16%), and Spice (41.09%, till February 28, 2010).
3. Established Service Areas represent Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan and the Himachal Pradesh service area, and also include the service areas of Punjab and Karnataka from March 01, 2010.
4. New Service Areas represent Mumbai, Bihar, Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and the North East service areas.
5. Cash Profit is calculated as the summation of PAT, Depreciation, 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.

A leading national GSM mobile services operator, Idea Cellular won 3G spectrum in 11 service areas. 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 26 countries, is anchored by an extraordinary force of over 130,600 employees belonging to 40 nationalities, and derives over 60% of its revenues from operations outside India.