



Media Release

Mumbai –April 26, 2012 Idea Cellular announces audited results for the Fourth Quarter (Q4) and Year ended March 31, 2012

Highlights – Q4 FY12

- Idea – Standalone¹ – Revenue Rs. 54,035 mn, EBITDA Rs. 12,070 mn, PAT Rs. 2,016 mn
- Idea – Consolidated² – Revenue Rs. 53,697 mn, EBITDA Rs. 13,571 mn, PAT Rs. 2,390 mn

	INR mn							
	Idea Standalone ¹				Idea Consolidated ²			
	Q4FY12	Q3FY12	FY12	FY11	Q4FY12	Q3FY12	FY12	FY11
Revenue - Established Service Areas ³	47,784	45,144	175,252	141,579				
Revenue - New Service Areas ⁴	6,251	5,508	21,548	14,801				
Total Revenue	54,035	50,652	196,800	156,380	53,697	50,308	195,411	155,032
EBITDA - Established Service Areas ³	13,671	13,708	51,655	38,648				
EBITDA - New Service Areas ⁴	(1,601)	(1,722)	(6,496)	(5,386)				
Total EBITDA	12,070	11,986	45,159	33,262	13,571	13,446	50,924	37,907
EBITDA% - Established Service Areas ³	28.6%	30.4%	29.5%	27.3%				
EBITDA% - New Service Areas ⁴	-25.6%	-31.3%	-30.1%	-36.4%				
Total EBITDA%	22.3%	23.7%	22.9%	21.3%	25.3%	26.7%	26.1%	24.5%
Depreciation & Amortisation	7,211	6,952	27,277	21,728	7,844	7,575	29,813	23,973
EBIT	4,860	5,035	17,882	11,534	5,728	5,871	21,110	13,933
Interest and Financing Cost (Net)	1,960	2,527	9,086	2,489	2,275	2,880	10,558	3,965
PBT	2,900	2,508	8,796	9,046	3,453	2,991	10,553	9,969
PAT	2,016	1,687	6,036	8,378	2,390	2,010	7,230	8,987
Cash Profit ⁵	10,135	9,452	36,079	30,899	11,203	10,558	40,255	34,068

Idea, continues its enviable 4 year track record of being the fastest growing Indian mobile operator, with Financial Year 2011-12 gross revenue growth of 25.8% against FY11, nearly double the wireless industry growth rate. The 6.7% sequential quarterly revenue growth in Q4FY12, on back of 8.8% QoQ growth in Q3FY12, reaffirms the increasing consumer preference for brand Idea.

Idea's global scale of operations, serving 113 million quality subscribers, generating 1.4 billion minutes per day, provides the company a strong hedge to counter the emerging headwinds from the uncertain regulatory interventions and weak macroeconomic environment.

This quarter the high revenue growth is primarily led by the exponential growth in voice minutes @9.1% to 124 billion minutes compared to 114 billion minutes in Q3FY12, strengthening Idea's position among the 'Top 10 global operators in terms of voice minutes'. The minutes volume expansion again was supported by 6.4 mn VLR subscriber additions during the quarter.

The uptrend of Average Realisation Per Minute (ARPM) was halted with decline in ARPM to 42.2p from 43.3p, a harsh reminder of the market place battle and overcapacity. While challenges on the voice ARPM continue, the company remains focused to improve 'Non-Voice Revenue', which contributed 14.3% of revenue in Q4FY12 against 13.7% in last quarter.



The revenue growth, over the previous quarter, would have naturally translated into EBITDA margin improvement, but for a one-off regulatory impact reflecting in the 'License and WPC fees', which has been considered prudently. On annual basis the absolute EBITDA has increased to Rs. 45,159 million @ 22.9% in FY12 in comparison to Rs. 33,262 million @ 21.3% margin in FY11, a growth of 35.8%.

The standalone PAT for Q4FY12 has improved to Rs. 2,016 million on sequential basis, but the Annual PAT at Rs. 6,036 million was lower compared to Rs. 8,378 million in FY11, primarily on account of higher depreciation and interest charges due to front loaded 3G investments. The company is happy to maintain last quarter trend of Free Cash flow (after Capex). The full year cash profit for FY12 stands at Rs. 36,079 million. With declining future capex demand for 2G and 3G businesses, the Free Cash flow of the company will provide the cushion to tide over the emerging regulatory challenges.

Company's 3G investment plans are on track and high speed broadband services are now available in 3,000 towns and 10,000 villages, in 20 service areas (including roaming arrangements). The company, in its own way, is accelerating the deployment of 3G ecosystem, by launching Idea branded 3G handsets. Nearly 2.6 million Idea customers are active on company's 3G platform and enjoying futuristic services.

During the last calendar year, Idea further consolidated its competitive standing to 14.4% Revenue Market Share (RMS) in Q3FY12 an improvement of 1.1% in RMS from Q3FY11, delivering over 20% incremental share of industry revenue, VLR and Minutes, quarter on quarter.

Idea has extended its overall MNP leadership position with net gain of 2.9 million customers (as on April 22, 2012) from other operators, with one out of every four existing mobile customers, who chooses to port out, preferring Idea services.

The company is confident to overcome the current uncertain regulatory phase, emerge stronger, consolidate its position in the telecom voice market and participate aggressively in the evolving wireless broadband 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 13 service areas namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan and Himachal Pradesh, Punjab and Karnataka service areas.
4. New Service Areas represent 9 service areas of Mumbai, Bihar, 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.
7. The Hon'ble High Court of Delhi on 4th July 2011 has reaffirmed its order dated 5th February 2010 sanctioning the Scheme of Amalgamation of Spice Communications Limited (Spice) with the Company. However the judgment transferred and vested unto the DoT, the six telecom licenses granted to erstwhile Spice along with the spectrum (including two operational licenses for Punjab and Karnataka service areas) till the time permission of DoT is granted for transfer thereof upon an application from the Company to that effect. Meanwhile, through interim orders, Appellate Bench had earlier directed DoT to accept the License Fee from the Company without prejudice, as the Company is continuing to operate the licenses for Punjab & Karnataka service areas granted to erstwhile Spice; maintain status quo in relation to the aforesaid two



operating licenses and no coercive steps in relation to any demand pertaining to the four non operating licenses. The judgment in the said matter has since been reserved. The financial results therefore continue to include the results of Punjab & Karnataka service areas.

8. The Company has challenged, along with other Telecom Operators, order of DoT dated 23rd December 2011, ordering Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum. The Hon'ble TDSAT has passed a "no coercive action" in the matter. The final judgment is since reserved.
9. The Hon'ble Supreme Court, while pronouncing its judgment dated 2nd February 2012 in Writ Petition filed, inter alia, by Centre for Public Interest Litigations & others, quashed the Press Release dt.10.01.2008 issued by the DoT and consequent grant of 122 licenses (including 7 operational licenses held by the Company and 6 non operational licenses, four out of the said 6 non operational licenses having been granted to erstwhile Spice Communications Limited which stands merged with the Company) and allocation of related spectrum. This directive of the Hon'ble Supreme Court, which was originally to become operational after four months from 02.02.2012, has been further extended on April 24, 2012 while disposing off the Clarificatory Application filed, inter alia, by the Company, till September 07, 2012.

About Idea Cellular Ltd.

Idea Cellular is the third largest wireless operator in India with a Revenue Market Share of 14.4% (Q3FY12). 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 36 countries, is anchored by an extraordinary force of over 133,000 employees belonging to 42 nationalities, and derives over 60% of its revenues from operations outside India.