



Media Release

Mumbai – July 22, 2010

Idea Cellular announces un-audited results for the first quarter (Q1) ended June 30, 2010

Highlights – Q1 FY11

- Idea – Standalone¹ – Revenue Rs. 36,897mn, EBITDA Rs. 7,937mn, PAT Rs. 1,964mn
- Idea – Consolidated² – Revenue Rs. 36,537mn, EBITDA Rs. 8,884mn, PAT Rs. 2,014mn

	Idea Standalone ¹			Idea Consolidated ²		
	Q1 FY11	Q4 FY10	Q1 FY10	Q1 FY11	Q4 FY10	Q1 FY10
Revenue - Established Service Areas ³	33,833	30,250	27,456			
Revenue - New Service Areas ⁴	3,063	2,761	1,427			
Revenue - Total	36,897	33,011	28,883	36,537	33,477	29,759
EBITDA - Established Service Areas ³	9,337	9,750	8,345			
EBITDA - New Service Areas ⁴	(1,401)	(1,422)	(644)			
EBITDA - Total	7,937	8,328	7,700	8,884	9,235	8,599
EBITDA %	21.5%	25.2%	26.7%	24.3%	27.6%	28.9%
Depreciation & Amortisation	5,160	4,928	4,064	5,656	5,667	4,555
Other Income/Receipt	-	346	-	-	520	-
EBIT	2,776	3,745	3,636	3,228	4,088	4,044
Interest and Financing Cost (net)	766	682	406	1,142	1,141	869
PBT	2,010	3,063	3,230	2,087	2,947	3,175
PAT	1,964	2,763	3,075	2,014	2,666	2,971
Cash Profit⁵	7,213	7,657	7,314	7,785	8,105	7,748

Idea opens the first quarter of the new fiscal year with a 13% QoQ growth of Minutes on Network, on the back of similar percentage growth in the preceding two quarters, demonstrating the burgeoning size of the company's operations. Hyper-competitive market conditions caused an ~5.4% decline in the Average Realised Rate (ARR) to 44p per minute, inspite of which, revenue was up 11.8% QoQ (~5.4% after normalization for the full quarter impact of the Spice amalgamation w.e.f. March 1, 2010).

The previous quarter EBITDA margin was 25.2%, which after excluding the one-off year-end reversals of Rs 600mn, normalised to ~ 23.4%. Against this normalised margin, there is a QoQ drop of ~1.9%, entirely due to non-operational reasons, viz, a provision of higher spectrum charges (~0.9%) pending the TDSAT judgment, and the impact of the Spice amalgamation for the full quarter (~1.1%). Therefore operational factors continue to neutralise the ARR decline.



Interest of Rs. 404mn against payment for 3G auction fee has been capitalised. Cash Profit was Rs 7,213mn, whereas PAT for the quarter was Rs 1,964mn, on a standalone basis.

In an over-crowded sector, Idea is among very few companies which have the capability to maintain and grow quality operations at a realised rate of 44p, and still turn in reasonable profits. This is a strong affirmation of Idea's ability to ride out these testing times, and to emerge competitively enhanced once this phase draws inevitably to a close.

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. Spice Communications has been merged into Idea Cellular w.e.f. March 01, 2010 and accordingly from that date Idea Standalone includes Spice.
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 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 summation of PAT, Depreciation, Charge on account of ESOPs and Deferred tax, for the relevant period.
6. Figures of past periods have been regrouped, wherever necessary.

About Idea Cellular Ltd.

A leading national GSM mobile services operator, Idea Cellular obtained winning bids in 11 service areas in the recently concluded 3G auction. 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 25 countries, is anchored by an extraordinary force of over 130,000 employees belonging to 30 nationalities, and derives over 60% of its revenues from operations outside India.