



Media Release

Mumbai – July 21, 2014

Idea Cellular announces un-audited results for the First Quarter (Q1) ended June 30, 2014

Highlights – Q1 FY15

- Idea – Standalone¹ – Revenue Rs. 75,562mn, EBITDA Rs. 22,664mn, PAT Rs. 10,117mn
- Idea – Consolidated² – Revenue Rs. 75,610mn, EBITDA Rs. 25,106mn, PAT Rs. 7,282mn

	INR mn					
	Idea Standalone ¹			Idea Consolidated ²		
	Q1FY15	Q4FY14	Q1FY14	Q1FY15	Q4FY14	Q1FY14
Revenue - Established Service Areas ³	71,547	66,699	61,965			
Revenue - New Service Areas ⁴	4,015	3,707	3,390			
Total Revenue	75,562	70,406	65,355	75,610	70,438	65,388
EBITDA - Established Service Areas ³	24,376	21,555	19,750			
EBITDA - New Service Area ⁴	(1,713)	(1,674)	(1,314)			
Total EBITDA	22,664	19,881	18,436	25,106	22,302	20,763
EBITDA% - Established Service Areas ³	34.1%	32.3%	31.9%			
EBITDA% - New Service Areas ⁴	-42.7%	-45.2%	-38.8%			
Total EBITDA%	30.0%	28.2%	28.2%	33.2%	31.7%	31.8%
Depreciation & Amortisation	10,586	10,402	10,407	11,545	11,380	11,353
EBIT	12,078	9,479	8,030	13,561	10,922	9,410
Interest and Financing Cost (Net)	2,072	1,653	1,832	2,342	1,966	2,211
Dividend from Indus	3,623	-	838	-	-	-
PBT	13,628	7,826	7,036	11,219	8,957	7,199
PAT	10,117	5,138	4,829	7,282	5,898	4,627
Cash Profit ⁵	20,230	16,694	17,438	18,372	18,505	18,264

Idea, the fastest growing large Indian Mobile operator, starts the new financial year with highest ever incremental revenue growth of Rs. 5,157 million in a quarter, helping the company reach 30% EBITDA margin. Continuing its upward trajectory, the company achieved 7.3% sequential quarterly revenue growth, on the back of 6.5% growth in Q4FY14. This quarter Idea delivered balanced growth with sequential quarterly voice minutes expansion by 5.2% and 'Average Realisation per Minute' (ARPM) improvement of 3.3%.

During the quarter, the company carried 165.2 billion minutes on its network, registering 12.2% YoY growth and 32.5 billion Megabytes of Mobile Data on its 2G+3G platform, YoY growth of 136%, reaffirming strong consumer demand for brand Idea.

The higher voice rate realization and jump in Data contribution to 11.5% of service revenue helped improve 'Average Realisation per Minute' (ARPM) by 1.5 paise from 43.6p in Q4FY14 to 45.1p in Q1FY15. The Value Added Services (VAS) contribution has improved sharply to 17.8% of overall service revenue.



The standalone EBITDA at Rs. 22,664 million grew faster by 14% on QoQ basis due to multiple drivers including scale benefit, better cost management and robust voice & data growth. The EBITDA margin has improved sequentially by 1.8% to 30%. Including Indus dividend receipt of Rs. 3,623 million, the company has delivered highest ever standalone 'Profit After Tax' (PAT) of Rs. 10,117 million, nearly double the previous quarter.

Brand Idea continued its subscriber growth momentum with 3.2 million net new customer additions, now servicing 139 million quality base as 'Average Revenue Per User' (ARPU) improved to Rs. 181 (Rs. 173 in Q4FY14) and MoU/Subscriber increased to 401 minute (397 minute in Q4FY14). The company continued its journey of strengthening its competitive market standing with VLR subscriber market share climbing to 17.7% (May 2014) and Revenue Market Share (RMS) @16.6% in Q4FY14, an increase of 0.9% compared to Q4FY13.

This quarter, Idea reversed the falling 'Average Realisation per MB' (ARMB) data rate trend by improvement of 1 paisa to 26.3p (vs 25.3p in Q4FY14). The explosive mobile data volume growth and ARMB improvement has helped company deliver 23.6% Mobile data revenue growth. The net Mobile data consumer base has risen in the quarter by 2.6 million to 27.9 million. The blended Data ARPU (2G+3G) also improved to Rs. 108 and Usage per Data subscriber is at 409 MB, among the highest in industry. Further, the company launched its 3G services in Punjab service area from May 29, 2014 extending Idea own 'High Speed 3G Broadband' Services presence to 11 service areas covering 72% of its subscriber base.

In June 2014, company successfully completed its 'Qualified Institutions Placement' (QIP) and allotted 223.9 million fresh equity shares at an issue price of Rs. 134 per Equity Share (including a premium of Rs. 124 per Equity Share), aggregating to Rs. 30,000 million. Both Foreign and Indian large institutional investors evinced strong interest for Idea's fresh capital. With additional equity infusion and strong Cash Profit of Rs. 20,230 million in the quarter, Idea has reduced its Net Debt by Rs. 52,087 million to Rs. 139,769 million. The Net Debt to Annualised EBITDA ratio now stands at 1.54, providing the company sufficient headroom to participate in the forthcoming spectrum auction.

For Q1FY15, on consolidated basis including Indus 16% contribution, Idea revenue grew by 15.6% against same quarter year ago and EBITDA rose by 20.9%, driving the EBITDA margin to 33.2%. The consolidated PAT at Rs. 7,282 million has grown sharply by 57.4% from Rs. 4,627 million in Q1FY14.

The strong consumer demand & brand affinity, expanding network footprint & spectrum portfolio and steady Cash flows from operations reaffirms 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 remain 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 16.6% (Q4FY14). 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 more than 30 countries, is anchored by an extraordinary force of over 136,000 employees belonging to 42 nationalities, and derives over 50% of its revenues from operations outside India.

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