



Media Release

Mumbai –August 01, 2013

Idea Cellular announces un-audited results for the First Quarter (Q1) ended June 30, 2013

Highlights – Q1 FY14

- Idea – Standalone¹ – Revenue Rs. 65,355 mn, EBITDA Rs. 18,436 mn, PAT Rs. 4,829 mn
- Idea – Consolidated² – Revenue Rs. 65,388 mn, EBITDA Rs. 20,763 mn, PAT Rs. 4,627 mn

	Idea Standalone ¹			Idea Consolidated ²		
	Q1FY14	Q4FY13	Q1FY13	Q1FY14	Q4FY13	Q1FY13
Revenue - Established Service Areas ³	61,965	53,272	48,814			
Revenue - New Service Areas ⁴	3,390	7,679	6,568			
Total Revenue	65,355	60,951	55,382	65,388	60,614	55,037
EBITDA - Established Service Areas ³	19,750	16,702	14,575			
EBITDA - New Service Areas ⁴	(1,314)	(1,665)	(1,687)			
Total EBITDA	18,436	15,037	12,889	20,763	16,731	14,355
EBITDA% - Established Service Areas ³	31.9%	31.4%	29.9%			
EBITDA% - New Service Areas ⁴	-38.8%	-21.7%	-25.7%			
Total EBITDA%	28.2%	24.7%	23.3%	31.8%	27.6%	26.1%
Depreciation & Amortisation	10,407	8,386	7,685	11,353	9,092	8,325
EBIT	8,030	6,652	5,203	9,410	7,639	6,031
Interest and Financing Cost (Net)	1,832	1,927	2,376	2,211	2,244	2,670
Dividend from Indus	838	-	-	-	-	-
PBT	7,036	4,724	2,828	7,200	5,395	3,361
PAT	4,829	2,670	1,981	4,627	3,082	2,341
Cash Profit ⁵	17,438	13,067	10,502	18,264	14,274	11,522

Note: Henceforth Mumbai and Bihar service areas have been included in Established Service Areas, previous quarters figures have not been restated.

In line with Company's long term mission of consistent, competitive, responsible and profitable growth, Idea is pleased to report YoY standalone Revenue growth of 18% (Q1FY14 vs Q1FY13). Consistent as Idea sequential standalone quarterly revenue growth is 7.2% in Q1FY14 on the back of 8.6% QoQ growth in Q4FY13. Competitive as company strengthened its 'Revenue Market Share' position by 0.9% to 15.7% in Q4FY13 over Q3FY13 as per latest TRAI report. Responsible as Idea continues its journey of deep interior rural expansion, now covering over 300,000 villages and offering the worlds' lowest voice and data tariffs for bottom of pyramid customers. Profitable with robust YoY standalone EBITDA growth of 43%.

The multiple drivers of this sharp profitable growth have been robust 'Voice' & 'Mobile Data' revenue coupled with scale benefits and better cost management.

The Voice minutes expanded by 12.5% on YoY basis to 147.3 billion in Q1FY14 supported by net annual new customer addition of 7.8 million, cumulative subscriber base reaching 125 million as on 30th June 2013.

The Q1FY14 also has the highest 'Mobile Data' adoption with incremental annual data customer addition of 12.6 million, as EoP of Data subscribers swell to 30.9 million. The data volume growth exploded @ 92.2% to 13.8 billion



Megabytes usages in Q1FY14 on YoY basis. The Data as a % of 'Service Revenue' improved by 2.7% in one year; mobile data now contributing 7.2% to 'Service Revenue'.

With company clamping down on promotional free/discounted minutes for 'New & Existing Customers' and higher contribution from VAS services, the ARPM (Average Realised rate Per Minute) improved by 2.5 paise per minute (6.0%) to 43.7p/min. Nevertheless, even improved 'Voice Realised Rate' for the company is still below Q3FY12 level. The 'Value Added Service' contribution increased to 16% (15.2% in Q4FY13), further helping improvement in overall ARPM.

The company remained focused on better cost management, delivering blended subscriber churn of 5.1% in Q1FY14; a reduction of 4.8% in last one year. The overall 'Subscriber Acquisition & Marketing cost' has fallen by ~3.8% in Q1FY14 vs Q1FY13.

The revenue growth trajectory and cost efficiency has translated into healthy standalone 28.2% EBITDA margin, a YoY margin improvement of 4.9%. This quarter one off regulatory charge of ~Rs. 250 million is included in 'License and WPC charges'.

In this quarter the life of some fixed assets have been revised from 13 years to 10 years. All Idea active network assets now have a useful life of up to 10 years. This change has resulted in a higher depreciation of ~Rs 1,800 million in this quarter; total impact of this change for the entire FY14 will be ~ Rs 4,500 million.

The 'Interest & Finance Cost (net)' was lower by Rs. 95 million, even after accounting for foreign currency exchange rate loss of Rs. 230 million. Company's Net Debt reduced from Rs. 115,881 million in Q4FY13 to Rs. 102,199 million in Q1FY14. Net Debt to Annualised EBITDA level now is at an enviable 1.39, by far lowest in the industry.

The standalone PAT with double bottom line drivers of "Voice and Data" improved by 143.8% on YoY basis to Rs. 4,829 million in Q1FY14, including boost from Indus dividend of Rs. 838 million. The company generated healthy Cash Profit of Rs. 17,438 million, a growth of 66% over Q1FY13 further strengthening Idea's Balance Sheet.

Consequent to Hon'ble High Court approval of merger of 'Idea Cellular Tower Infrastructure Limited' (ICTIL) with Indus, the ownership of 11,094 Idea towers has vested unto Indus w.e.f. April 01, 2009 and ICTIL has ceased to exist. The standalone Idea reporting does not include these towers IRU income and linked depreciation.

Idea consolidated revenue including 16% Indus contribution has grown by 18.8% and consolidated EBITDA by 44.6% on YoY basis to Rs. 20,763 million in Q1FY14.

Idea with consistent network Investment, market place agility, Customer centricity & emphasis on building World Class Indian brand remains on course for performance driven leadership in the mobile business. The company strong Balance Sheet gives Idea confidence to overcome the current volatile and uncertain phase of Indian wireless business and benefit from emerging triple play telecom opportunities in Voice, Data and Video.

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 as well as Mumbai and Bihar service areas from Q1FY14 onwards. For FY13 Established Service Areas were 13, not including Mumbai and Bihar



4. New Service Areas represent 7 service areas of Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and North East from Q1FY14 onwards. For FY13 New Service Areas were 9, including Mumbai and Bihar.
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 merger of ICTIL with Indus towers is effective on June 11, 2013 post filling of the scheme with RoC. Accordingly from Q1FY14 onwards standalone financials does not include the IRU income and the depreciation on the towers transferred to Indus under IRU. However, there is no significant change in consolidated financials.

About Idea Cellular Ltd.

Idea Cellular is the third largest wireless operator in India with a Revenue Market Share of 15.7% (Q4FY13). 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 136,000 employees belonging to 42 nationalities, and derives over 50% of its revenues from operations outside India.