Media Release

Mumbai –January 27, 2015

Idea Cellular announces un-audited results for the Third Quarter (Q3) and Nine Months ended December 31, 2014

Highlights – Q3 FY15

- Idea – Standalone[1] – Revenue Rs. 80,148mn, EBITDA Rs. 24,860mn, PAT Rs. 6,783mn
- Idea – Consolidated[2] – Revenue Rs. 80,175mn, EBITDA Rs. 27,527mn, PAT Rs. 7,671mn

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	Idea Standalone[1]				Idea Consolidated[2]			
	Q3FY15	Q2FY15	YTD Q3FY15	YTD Q3FY14	Q3FY15	Q2FY15	YTD Q3FY15	YTD Q3FY14
Revenue - Established Service Areas[3]	75,543	71,437	2,18,526	1,84,597				
Revenue - New Service Areas[4]	4,605	4,236	12,857	10,033				
Total Revenue	80,148	75,673	2,31,383	1,94,630	80,175	75,699	2,31,484	1,94,751
EBITDA - Established Service Areas[3]	26,741	24,192	75,258	57,813				
EBITDA - New Service Area[4]	(1,881)	(1,798)	(5,407)	(4,209)				
Total EBITDA	24,860	22,394	69,851	53,604	27,527	24,907	77,473	60,638
EBITDA% - Established Service Areas[3]	35.4%	33.9%	34.4%	31.3%				
EBITDA% - New Service Areas[4]	-40.8%	-42.4%	-42.1%	-41.9%				
Total EBITDA%	31.0%	29.6%	30.2%	27.5%	34.3%	32.9%	33.5%	31.1%
Depreciation & Amortisation	13,792	10,774	35,152	30,888	14,826	11,788	38,159	33,814
EBIT	11,068	11,621	34,699	22,716	12,700	13,119	39,314	26,824
Interest and Financing Cost (Net)	720	1,176	3,901	4,223	983	1,445	4,703	5,337
Dividend from Indus	-	1,026	4,648	838			-	-
PBT	10,348	11,470	35,446	19,331	11,717	11,675	34,611	21,487
PAT	6,783	7,794	24,695	12,794	7,671	7,559	22,512	13,780
Cash Profit[5]	20,286	18,155	58,671	47,656	22,216	18,971	59,560	51,865

Note: Forex Loss/Gain which was part of net interest & finance cost earlier, has been regrouped to Other Expenditure (impacting the EBITDA).Past period figures are restated.

Idea Cellular is pleased to join a select club of top global Operators with over 150 million quality subscribers, providing company a unique platform for future growth in Mobile Voice, Wireless Broadband and Mobile banking services etc.

In the Calendar year (CY) 2014, Idea added 22.2 million subscribers (VLR net adds); the highest addition in the Industry. '1 out of 6' Indian prefer brand Idea for their mobile services as company's subscriber market share raced past 18.1% (TRAI November 2014 VLR Report). Inspite of huge 17% incremental new customer addition in year 2014, the customer mobile spend (ARPU) on Idea network increased by Rs. 10 to Rs. 179 (Q3FY15 over Q3FY14), a clear testimony to growing power of brand Idea.

The Company maintained its long term growth trajectory with 5.9% sequential quarterly revenue growth, helping Idea reach 31.0% EBITDA margin in Q3FY15. The standalone quarterly revenue of Rs. 80,148 million @21.2% YoY increase (over Q3FY14) was a balanced growth with voice minutes expansion by 18.1% (YoY) and 'Average Realisation per Minute' (ARPM) improvement by 3.2%. Idea continued its journey of strengthening its competitive market standing with Q2FY15 Revenue Market Share (RMS) @17.2%, an increase of 1.4% compared to Q2FY14.

During the quarter, Idea carried 170.7 billion minutes on its network, registering 5.1% sequential quarterly growth and 46.1 billion Megabytes of Mobile data on its 2G+3G platform, @16.9% quarterly expansion, with both lines of business delivering strong performance. The 'Value Added Service' (VAS) contribution has improved sharply to 23.1% of service revenue, an unprecedented gain of 7% in last one year.

Due to competitive pressures and increased contribution from New service areas, the Voice realisation remained under pressure and has fallen sequentially by 0.6 paisa to 35.6p/minute in Q3FY15. However, 18.4% quarterly jump in Mobile Data revenue, contributing 15.7% to service revenue, helped Idea improve its 'ARPM' at 46.3p in Q3FY15 (vs 45.9p in Q2FY15).

The standalone quarterly EBITDA of Rs. 24,860 million, grew annually by 37.3% due to multiple drivers including robust subscriber addition, consistent voice minutes growth, explosion of Data volume, scale benefit and better cost management. Idea during last one year has improved its EBITDA margin by 3.6% to 31% from 27.4% in Q3FY14, on the back of 4.2% EBITDA margin improvement between Q3FY13 (23.1%) to Q3FY14.

As the technology cycle shortens, the company on prudent basis reviewed and reduced the estimated useful life of core network equipments from present 10 to 9 years. Consequently, this quarter the depreciation charge has risen by Rs. 2,625 million. Inspite of accounting for this higher charge, Idea has delivered 'Profit After Tax' (PAT) at Rs. 6,783 million, 70.4% higher compared to Q3FY14 PAT at Rs. 3,981 million.

The strong Cash Profit of Rs. 20,286 million in Q3FY15 (YoY Growth of 29.5%) has helped company reduce Net Debt to Rs. 110,891 million. The Net Debt to Annualised EBITDA ratio now stands at 1.12, lowest in the industry, providing company sufficient head room to participate in the forthcoming license renewal spectrum auction.

The Mobile data subscriber base on 2G+3G platform has risen by 8.6 million in CY 2014 to 34.2 million. This quarter Idea held on its data rates (bended 2G+3G) – 'Average Realisation per MB' (ARMB) at 26.9p (vs 26.5p in Q2FY15). The blended Data ARPU (2G+3G) has improved by Rs. 35 in CY2014 to Rs. 126 as 'Usages per Data Subscriber' has grown to 470 MB per user in Q3FY15 from 309 MB in Q3FY14. The 3G (Voice+Data) customers have grown steadily this quarter to 16.1 million but still represents only 10.7% of Idea's total subscriber base. Idea continued to expand its 3G footprint with incremental investment of 7,840 3G sites in CY2014 taking the overall 3G sites count to 27,744.

For Q3FY15, on consolidated basis including Indus 16% contribution, Idea revenue grew by 21.2%, an incremental YoY revenue growth of Rs. 14,044 million. During same period EBITDA rose by 34.1%, driving the absolute EBITDA for this quarter to Rs. 27,527 million at 34.3% margin (3.3% YoY margin increase). The consolidated PAT at Rs. 7,671 million in Q3FY15 has grown sharply by 64% from Rs. 4,677 million in Q3FY14.

As mobility market services expand, Indian Telecom business offers exciting growth opportunities in Mobile broadband & rural voice telephony. Brand Idea with growing consumer affinity, strong cash flows, expanding 2G & 3G network footprint and competitive spectrum profile, reaffirms its ability to overcome current short term uncertainties, emerge stronger and consolidate its market position to tap emerging telecom and mobile banking opportunities.

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 17.2% (Q2FY15). 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, which is one of the largest business groups in India. The Aditya Birla Group is a conglomerate with operations in more than 30 countries. The Aditya Birla group has a history of over 50 years and has businesses in, among others, mobile telecommunications, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries.

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