



# Idea Cellular Limited

An Aditya Birla Group Company

## Quarterly Report

Third Quarter ended December 31, 2011

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**Corporate Office:** 5<sup>th</sup> Floor, Windsor, Off C.S.T. Road, Near Vidya Nagari, Kalina Santacruz (East), Mumbai 400 098, India



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## Supplemental Disclosures

Unless stated otherwise, the financial data in this report is derived from our un-audited / audited financial statements prepared in accordance with Indian GAAP. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year. In this report, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS, and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements will provide meaningful information is dependent on the reader's familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial information presented in this report should accordingly be limited. We have not attempted to explain such differences or quantify their impact on the financial data included herein.

Unless stated otherwise, industry data used throughout this report has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this report is reliable, it has not been independently verified.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.

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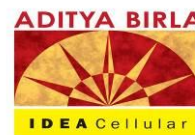


## 1. Reporting Guidelines:

To facilitate an analytical perspective, the results have been formatted and grouped as under:

- a) **Standalone** – Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding the JVs, Spice (till February 28, 2010) and Indus. Spice Communications has been amalgamated into Idea Cellular w.e.f. March 01, 2010 and accordingly from that date Idea Standalone includes erstwhile Spice.
- b) **Consolidated** – Idea, its 100% subsidiaries, and its JVs, grouped together. In addition to Idea Standalone, this covers the proportionate consolidation of erstwhile Spice (41.09% till February 28, 2010) and Indus (16%). JV financials have been consolidated as jointly controlled entities as per “AS 27 - Financial reporting of Interests in Joint Ventures”. It may be noted that the consolidation of financials of two or more entities requires elimination of inter entity transactions. Illustratively, rentals paid by Idea to Indus, become expenses for Idea and revenues for Indus, on a standalone basis. However, upon consolidation, the proportionate revenue of Indus gets reduced to the extent contributed by Idea. The rental expenses of Idea also stand correspondingly reduced in the consolidated financials.

**Note:** 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 matter remains sub-judice at the High Court. The financial results therefore continue to include the results of Punjab & Karnataka service areas.



## 2. Performance at a glance – Idea Standalone

Particulars	Unit	For the Quarter		For the Year				
		Q3FY12	Q2FY12	FY 11	FY 10	FY 09	FY 08	FY 07
<b>Operating Highlights</b>								
Operating Service Areas (EoP)	nos.	22	22	22	22	13	11	11
Subscriber base (EoP)	mn	106.4	100.2	89.5	63.8	38.9	24.0	14.0
2G - Cell Sites (EoP)	nos.	80,637	78,367	73,668	66,187	44,230	24,793	10,114
3G - Cell Sites (EoP)	nos.	10,902	9,744					
<b>Financial Highlights</b>								
Gross Revenue	Rs mn	50,652	46,554	156,380	121,413	99,713	67,374	43,873
EBITDA	Rs mn	11,986	10,436	33,262	30,538	27,548	22,693	14,862
PAT	Rs mn	1,687	793	8,378	10,298	9,561	10,423	5,023
Cash Profit	Rs mn	9,452	7,884	30,899	29,043	23,518	19,842	11,751
Gross Block + CWIP <sup>1</sup>	Rs mn	384,736	372,358	351,045	258,371	201,810	149,382	97,202
Net Worth	Rs mn	126,998	125,240	122,767	114,101	133,405	35,446	21,798
Loan Funds	Rs mn	116,745	113,087	105,575	65,264	77,631	65,154	42,505
Cash & Cash Equivalent	Rs mn	1,049	1,080	13,902	14,005	49,614	10,535	18,212
Net Debt to EBITDA <sup>2</sup>	unit	2.41	2.68	2.76	1.68	1.02	2.41	1.63
Net Debt to Net Worth	unit	0.91	0.89	0.75	0.45	0.21	1.54	1.11
ROCE	%	6.5%	5.2%	5.9%	8.1%	11.6%	18.2%	15.3%

<sup>1</sup> Includes Rs. 57,686 mn paid for 3G spectrum from FY11 onwards

<sup>2</sup> Net Debt to EBITDA, for the quarter, is based on the annualised figure of quarterly EBITDA

## 3. Company Overview

Idea Cellular Limited ("Idea") is the third largest wireless operator in India with a Revenue Market Share (RMS) of 14.0% (Q2FY12). In the 13 Established Service Areas, its RMS stands at strong 18.5% (Q2FY12). The company carries around 1.24 billion minutes on a daily basis and is among the top 10 operators in the world, in terms of voice minutes usage. Idea is listed on National Stock Exchange and Bombay Stock Exchange in India with a market capitalization of Rs 272 billion (as on 31<sup>st</sup> Dec, 2011).

### A. Promoter Group

Idea is part of the Aditya Birla Group, a US\$ 35 billion corporation. The Aditya Birla Group is in the League of Fortune 500 and has businesses in sectors ranging from metals, garments, cement, fertilisers, life insurance and financial services among others. Over 60% of Group's revenues are derived from overseas operations. The group operates in 36 countries, and is anchored by an extraordinary force of over 133,000 employees belonging to 42 nationalities. The current Group holding of 45.98% in Idea is made up of;



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Aditya Birla Nuvo Ltd.	25.32%
Birla TMT Holdings Pvt. Ltd.	8.57%
Hindalco Industries Ltd.	6.90%
Grasim Industries Ltd.	5.17%
Others	0.01%
<b>Total</b>	<b>45.98%</b>

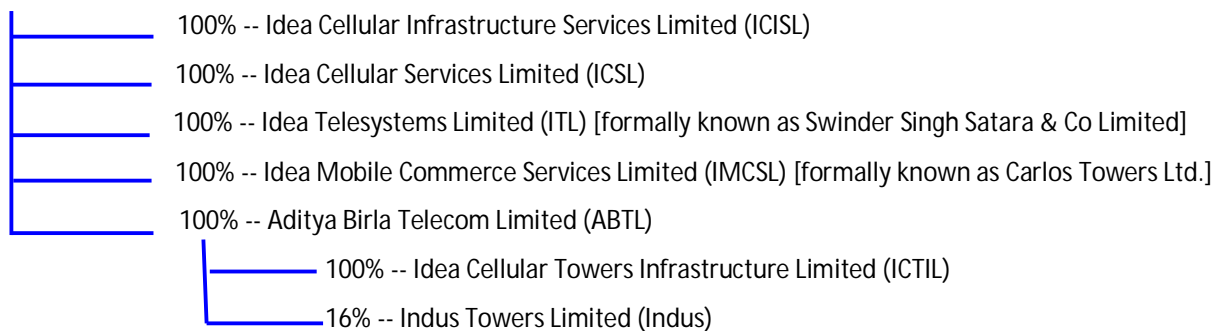
## B. Key Shareholders

**Axiata Group Berhad**, through its affiliates, has 19.96% shareholding in Idea Cellular. Axiata is one of the largest Asian telecommunication companies focused on high growth low penetration emerging markets. The Group currently has controlling interests in its mobile communications operations in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as strategic stakes in India, Singapore and Iran through its various subsidiaries and affiliates. The Group, including its subsidiaries and associates, has over 168 million mobile subscribers in Asia and provides employment to over 25,000 people across Asia.

**Providence Equity Partners**, through its affiliates has a 9.98% shareholding in Idea, and has also invested INR 20,982 mn in ABTL through Compulsorily Convertible Preference Shares.

## C. Corporate Structure

Idea Cellular Limited (Idea)



ICISL – A tower company owning towers in Bihar and Orissa service areas.

ICSL – Provides manpower services to Idea.

ITL – Engaged in the business of sale and purchase of devices.

IMCSL – To promote mobile banking related initiatives.

ABTL – Holds 16% shareholding in Indus.

ICTIL – Holds towers de-merged from Idea, which will subsequently merge into Indus.

Indus – A joint venture between Bharti Infratel, Vodafone Essar and Idea (through ABTL), to provide passive infrastructure services in 15 service areas.

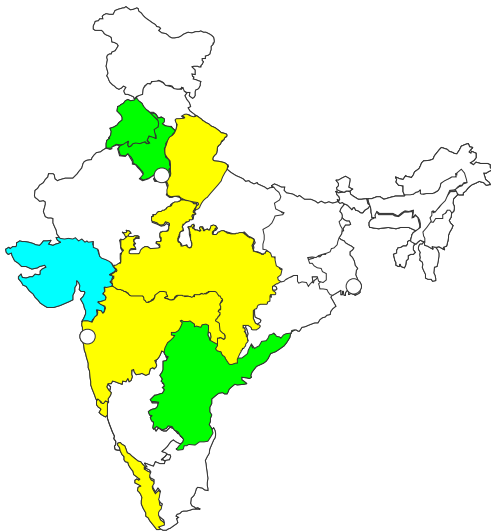
## D. Business Segments

**Mobile Operations** – Idea provides mobile services in all 22 service areas of India. The mobile business of Idea Cellular is segregated as 13 Established Service Areas (evolved with time in terms of profitability) and 9 New Service Areas (launched in FY09 & FY10 and gestating in terms of profitability). Idea won 3G spectrum in 11 important service areas which cover 75% of its existing revenue and account for around half of national mobility revenue. Idea currently offers 3G services in 20 service areas (excludes Orissa and Punjab), through a combination of home network and roaming arrangements.

**Long Distance Services and ISP** – Idea holds licenses for NLD, ILD, ISP and IP-1 services. Idea currently has over 60,000 km fibre cable transmission network to tap the future potential of wireless broadband. Idea is also expanding OFC PoPs and presently has over 1600 PoPs in 91 cities & linked highways. The fibre network of the company optimally serves our 2G/ 3G/ NLD/ ILD/ ISP/Wireless Broadband needs. Idea NLD currently carries over 92% of Idea’s captive NLD minutes. Idea ILD currently handles over 95% of captive ILD outgoing minutes, the capacity of which is further being expanded.

## 4. Strength Areas

### A. Revenue Market Share (RMS)\* Profile



Service Area	RMS Q2 FY12*	Rank	Winner of 3G Spectrum
Kerala	32.0%	1	Yes
M.P.	30.9%	1	Yes
Maharashtra	28.1%	1	Yes
UP (W)	28.1%	1	Yes
Haryana	21.8%	2	Yes
Punjab	19.6%	2	Yes #
Gujarat	17.4%	2	Yes
A.P.	17.3%	2	Yes

\*Based on gross revenue for Mobile and UAS Licenses, released by the TRAI.  
#Authorisation for commercial use of 3G spectrum is awaited

The incumbency advantage coupled with the benefit of 900 MHz spectrum in the above 8 service areas, gives a combined RMS of 24.1% to Idea making it the second largest operator in these service areas put together. These service areas are of significance as these contribute around 41% of national mobility revenue and 70% of Idea’s revenue. Idea won 3G spectrum in all these strategically important service areas. Idea’s 2G and 3G spectrum footprint in these service areas, places Idea in an advantageous competitive position.

## B. Emerging Geographies

Service Area	RMS Q2 FY12*	Rank
UP (E)	11.8%	3
Rajasthan	10.3%	3
Delhi	10.3%	4
Bihar	8.9%	4
Karnataka	8.6%	4
H.P.	7.6%	5
Mumbai	7.2%	6

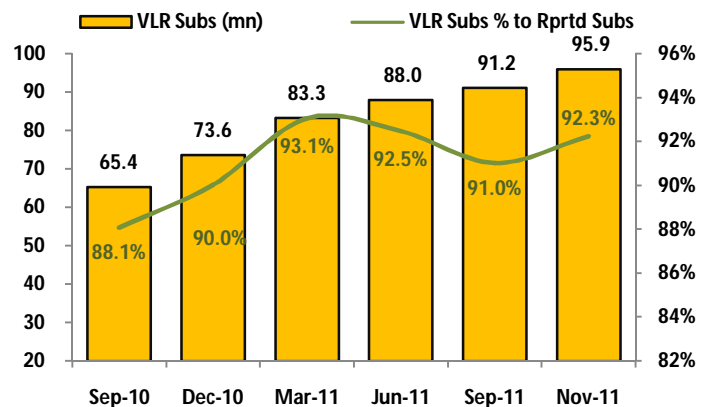
\*Based on gross revenue for Mobile and UAS Licenses, released by the TRAI

Over the last few quarters, Idea has strengthened its position in some of the service areas, where it was a late entrant with 1800 MHz spectrum, except Karnataka service area where it holds 900 MHz spectrum. The emergence of Idea as a significant player in these service areas reaffirms Idea's intrinsic competitive capabilities. Idea holds 3G spectrum for the service areas of UP (E) and H.P. out of these service areas.

## C. Over 100 million Quality Subscriber Base

Idea is among the select global operators servicing over 106 million subscribers. This large base of subscribers provides a great platform to the company for upgrading the pure voice customers, in future, wireless data services in addition to voice.

Idea has always been vigilant in monitoring the quality of its subscriber base. The latest (Nov 2011) data released by the TRAI for VLR subscribers (active subscribers), reaffirms quality of Idea's subscriber base as among the best in terms of percentage of active subscribers. As of 30<sup>th</sup> Nov'11, Idea has over 92% of reported subscribers as VLR subscribers, which is highest in the industry. Idea's VLR EoP subscriber market share is 15.2% in Nov, 2011. (as against a subscriber EoP market share of 11.8%)



Source: TRAI

## D. Mobile Number Portability

The Mobile Number Portability (MNP) was implemented nation-wide on 20<sup>th</sup> January, 2011. The trends emerging from MNP are clearly distinguishing the strong operators in terms of customers' preference for better quality of services and brand value. Idea is leading the industry as highest MNP provider with a net gain of 2.2 mn subscribers (as on 14<sup>th</sup> January, 2012) and lowest port-out ratio of only 0.57 subscriber against every port-in subscriber.

## 5. Financial Highlights

### A. Standalone Profit & Loss Account

INR mn

	For the Quarter				
	Q3FY12	Q2FY12	Q1FY12	Q4FY11	Q3FY11
Gross Revenue	50,652	46,554	45,559	42,691	39,901
Opex	38,666	36,118	34,893	33,197	31,688
EBITDA	11,986	10,436	10,666	9,494	8,214
EBITDA Margin	23.7%	22.4%	23.4%	22.2%	20.6%
Depreciation & Amortisation	6,952	6,726	6,389	5,940	5,362
EBIT	5,035	3,710	4,278	3,554	2,852
Interest and Financing Cost (net)	2,527	2,538	2,061	486	572
PBT	2,508	1,171	2,217	3,068	2,280
Tax	821	379	676	492	72
PAT	1,687	793	1,541	2,576	2,209
Cash Profit	9,452	7,884	8,609	9,031	7,674

### B. Consolidated Profit & Loss Account

INR mn

	For the Quarter				
	Q3FY12	Q2FY12	Q1FY12	Q4FY11	Q3FY11
Gross Revenue	50,308	46,199	45,207	42,347	39,556
Opex	36,862	34,333	33,167	31,595	30,074
EBITDA	13,446	11,866	12,040	10,752	9,482
EBITDA Margin	26.7%	25.7%	26.6%	25.4%	24.0%
Depreciation & Amortisation	7,575	7,369	7,026	6,572	5,925
EBIT	5,871	4,498	5,014	4,180	3,557
Interest and Financing Cost (net)	2,880	2,939	2,463	854	941
PBT	2,991	1,559	2,551	3,326	2,616
Tax	981	501	778	581	186
PAT	2,010	1,058	1,773	2,745	2,430
Cash Profit	10,558	8,913	9,580	9,921	8,573



## C. Revenue & Profitability Break-up

INR mn			INR mn		
<b>Revenue Break-up</b>	For the Quarter		<b>EBIT Break-up</b>	For the Quarter	
	Q3FY12	Q2FY12		Q3FY12	Q2FY12
Gross Revenue - Established Service Areas	45,144	41,579	EBIT - Idea Standalone	5,035	3,710
Gross Revenue - New Service Areas	5,508	4,975	EBIT Contribution - Indus (@16.00%)	837	788
<b>Revenue - Idea Standalone</b>	<b>50,652</b>	<b>46,554</b>	<b>EBIT - Idea Consolidated</b>	<b>5,871</b>	<b>4,498</b>
Revenue Contribution - Indus (@16.00%)	3,233	3,089			
Consolidation Eliminations	(3,577)	(3,443)			
<b>Revenue - Idea Consolidated</b>	<b>50,308</b>	<b>46,199</b>			
<b>EBITDA Break-up</b>	For the Quarter		<b>Interest &amp; Finance Cost Break-up</b>	For the Quarter	
	Q3FY12	Q2FY12		Q3FY12	Q2FY12
EBITDA - Established Service Areas	13,708	12,212	Gross Interest Cost - Idea Standalone	2,250	2,259
EBITDA - New Service Areas	(1,722)	(1,776)	Gross Interest Income - Idea Standalone	(34)	(34)
<b>EBITDA - Idea Standalone</b>	<b>11,986</b>	<b>10,436</b>	Forex Loss/(Gain) - Idea Standalone	311	313
EBITDA Contribution - Indus (@16.00%)	1,460	1,430	<b>Int. &amp; Fin. Cost (net) - Idea Standalone</b>	<b>2,527</b>	<b>2,538</b>
<b>EBITDA - Idea Consolidated</b>	<b>13,446</b>	<b>11,866</b>	Int. & Fin. Cost (net) from Indus (@16.00%)	354	401
			<b>Int &amp; Fin Cost (net) - Idea Consolidated</b>	<b>2,880</b>	<b>2,939</b>
<b>EBITDA Margins</b>	For the Quarter		<b>Tax Break-up</b>	For the Quarter	
	Q3FY12	Q2FY12		Q3FY12	Q2FY12
EBITDA % - Established Service Areas	30.4%	29.4%	Tax - Idea Standalone	821	379
EBITDA % - New Service Areas	-31.3%	-35.7%	Tax - Indus (@16.00%)	160	122
<b>EBITDA % - Idea Standalone</b>	<b>23.7%</b>	<b>22.4%</b>	<b>Tax - Idea Consolidated</b>	<b>981</b>	<b>501</b>
Derived EBITDA % Indus	45.2%	46.3%			
<b>EBITDA % - Idea Consolidated</b>	<b>26.7%</b>	<b>25.7%</b>			
<b>Dep. &amp; Amort. Break-up</b>	For the Quarter		<b>PAT Break-up</b>	For the Quarter	
	Q3FY12	Q2FY12		Q3FY12	Q2FY12
Dep & Amort. - Idea Standalone	6,952	6,726	PAT - Idea Standalone	1,687	793
Dep. & Amort. Cost from Indus (@16.00%)	623	643	PAT Contribution - Indus (@16.00%)	323	265
<b>Dep. &amp; Amort. - Idea Consolidated</b>	<b>7,575</b>	<b>7,369</b>	<b>PAT - Idea Consolidated</b>	<b>2,010</b>	<b>1,058</b>

**Note 1:** Impact of the joint venture is presented to provide a perspective to Idea's consolidated financials. Due to differences in accounting treatment, these may not be representative of the financial statements of joint ventures.

**Note 2:** The IRU income from Indus (w.e.f. 01st January, 2009) is treated as revenue in Idea Standalone. This treatment may change, as and when the scheme of merger of ICTIL with Indus towers currently filed with the Hon'ble High Court of Delhi, is sanctioned and made effective.

## D. Summarized Balance Sheet

INR mn

Particulars	Idea Standalone - As on		Idea Consolidated - As on	
	31-Dec-11	31-Mar-11	31-Dec-11	31-Mar-11
<b>Sources of Funds</b>				
Equity Share Capital	33,074	33,033	33,074	33,033
Preference Share Capital	19	19	19	19
Outstanding Emp. Stock Options	387	478	387	478
Reserves & Surplus	93,517	89,237	94,569	89,469
Loan Funds	116,745	105,575	130,760	120,705
Deferred Tax Liability(net)	4,761	2,940	5,304	3,099
<b>Total</b>	<b>248,503</b>	<b>231,282</b>	<b>264,114</b>	<b>246,804</b>
<b>Application of Funds</b>				
Gross Block	375,797	315,084	400,003	336,977
Less: Depreciation & Amortisation	127,644	108,005	133,664	112,128
<b>Net Block</b>	<b>248,153</b>	<b>207,079</b>	<b>266,339</b>	<b>224,849</b>
CWIP	8,938	35,961	9,417	36,467
Goodwill	61	61	61	61
Cash & Cash equivalent	1,049	13,902	2,611	14,777
Net Current Assets	(9,699)	(25,720)	(14,314)	(29,351)
<b>Total</b>	<b>248,503</b>	<b>231,282</b>	<b>264,114</b>	<b>246,804</b>

## 6. Key Performance Indicators

### A. Financial Indicators – Idea Standalone

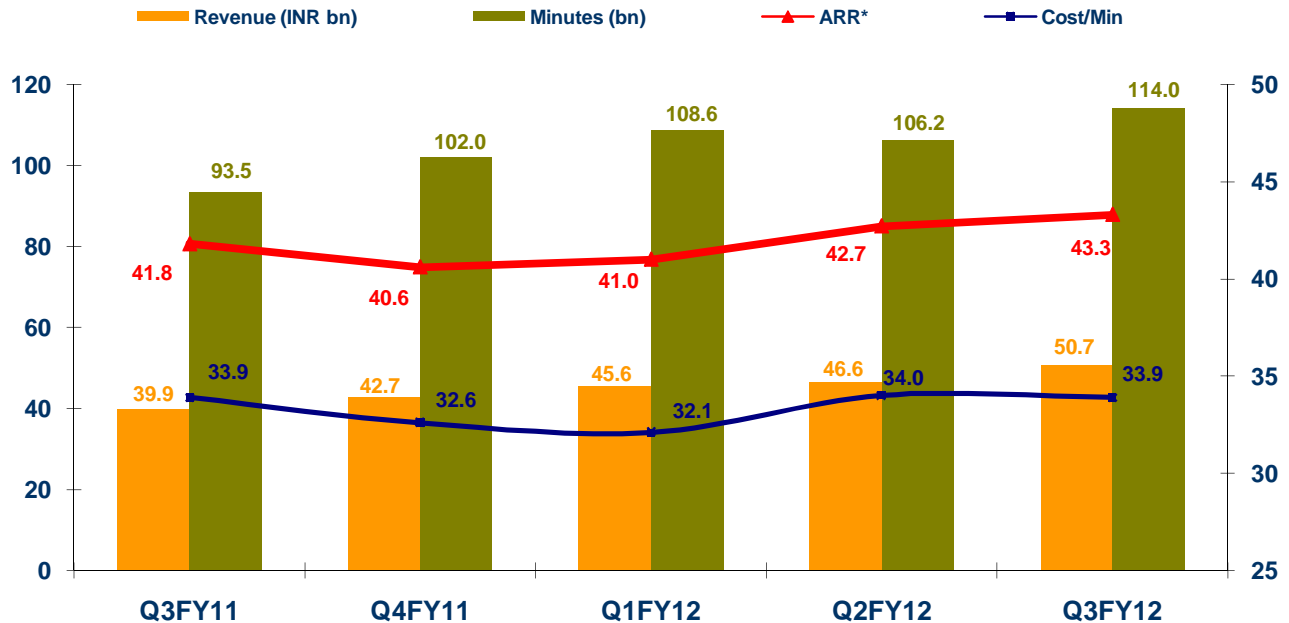
Parameters	For the Quarter				
	Q3FY12	Q2FY12	Q1FY12	Q4FY11	Q3FY11
Gross Revenue (INR mn)	50,652	46,554	45,559	42,691	39,901
Growth (%) QoQ	8.8%	2.2%	6.7%	7.0%	8.2%
EBITDA (INR mn)	11,986	10,436	10,666	9,494	8,214
EBITDA (%)	23.7%	22.4%	23.4%	22.2%	20.6%
EBIT (INR mn)	5,035	3,710	4,278	3,554	2,852
EBIT (%)	9.9%	8.0%	9.4%	8.3%	7.1%
Gross Revenue/min (paisa)	44.4	43.8	41.9	41.9	42.7
EBIT/min (paisa)	4.4	3.5	3.9	3.5	3.0
Gross Fixed Assets (INR mn)	375,797	363,279	349,303	315,084	268,037
Annualised Revenue/Gross Fixed Assets	53.9%	51.3%	52.2%	54.2%	59.5%

## B. Operational Indicators – Idea Standalone

	Unit	Quarter Ended				
		Q3FY12	Q2FY12	Q1FY12	Q4FY11	Q3FY11
Subscriber Base (EoP)	mn	106.4	100.2	95.1	89.5	81.8
Pre-paid Subs (% of EoP subscribers)	%	96.6%	96.5%	96.5%	96.4%	96.3%
Average Revenue per User (ARPU)	INR	159	155	160	161	168
Average Minutes of Use per User (MoU)	min	369	364	391	397	401
Average Realisation per Minute (ARPM)	paisa	43.3	42.7	41.0	40.6	41.8
VAS as a % of Service Revenue	%	13.7%	13.2%	12.1%	12.1%	13.0%
Post-paid Churn	%	2.9%	3.0%	3.0%	2.7%	2.8%
Pre-paid Churn	%	10.7%	10.1%	9.8%	11.0%	10.3%
Blended Churn	%	10.4%	9.9%	9.6%	10.7%	10.0%
Total Minutes of Use	mn	113,964	106,224	108,630	101,960	93,503
Total 3G Cell Sites (EoP)	no.	10,902	9,744	6,989		
Total 2G Cell Sites (EoP)	no.	80,637	78,367	76,291	73,668	70,208
Towers - Rented Indus (EoP)	no.	43,021	41,865	40,953	39,587	37,819
Towers - Rented Others (EoP)	no.	28,424	27,369	26,213	25,004	23,445
Owned Towers (EoP)	no.	9,192	9,133	9,125	9,077	8,944
Tenancy Ratio - Owned Towers	times	1.54	1.54	1.54	1.54	1.53
Owned Towers - IRU (EoP)	no.	11,094	11,094	11,094	11,094	11,094
Manpower on Rolls (EoP)	no.	7,664	7,581	7,440	7,282	7,141
Average Revenue per Employee per Month	INR '000	2,215	2,066	2,063	1,973	1,888
Subscribers per Employee	no.	13,880	13,215	12,783	12,291	11,452

## 7. Management Discussion & Analysis

### A. Global Scale of Operations



\*Calculated by dividing service revenue (excl. infrastructure revenue) by total Minutes of Usage

Idea Cellular is among the select global operators with 100 million quality subscribers, providing it a platform for next level of growth in Voice, Wireless Broadband and related telecom services. During the quarter, Idea carried 114.0 billion Minutes. Idea is among the top 10 Global operators in terms of voice minutes of usage. These numbers are an emphatic testimony to the global scale of Idea's operations.

Company's 3G investment plans are on track and high speed broadband services are now available across 2,300 towns in 20 service areas (including roaming arrangements) in India. This quarter company introduced affordable Idea branded 3G Smart-phones starting from Rs. 5,850 onwards thereby helping Idea's 106 million subscribers to move to the new exciting digital age.

Company has improved its competitive standing to 14% revenue market share and extended its MNP leadership with net gain of 2.2 million customers (as on 14<sup>th</sup> January, 2012) from other existing operators.

The company is confident to overcome the current uncertain regulatory phase, emerge stronger, consolidate its position in telecom voice market and participate aggressively in evolving wireless broadband business.

### B. Strong Operating Performance

While 8.8% sequential quarterly revenue growth brings back cheers to the company, the business outlook remains a paradox, a combination of tailwinds with strong customer traction and headwinds emerging from uncertain regulatory interventions and macro-economic environment.



This quarter, strong revenue growth is primarily led by seasonal return of minutes growth to 114 billion, a growth of 7.3%, compared to Q2FY12. The minutes volume expansion was supported by high 7.5 million net VLR subscriber additions during Q3FY12 against 3.2 million in Q2FY12. Idea continues its unblemished record of highest active subscriber ratio of 92.3% as per TRAI (Nov,2011). The 106.4 million quality subscribers provide it the platform for accelerated future growth in Voice, VAS and Wireless broadband and related telecom services.

The company maintains the upward trend of Average Realisation Per Minute (ARPM) from 42.7p in Q2FY12 to 43.3p in Q3FY12. ARPM improvement was led by higher VAS contribution (13.2% in Q2FY12 to 13.7% in Q3FY12) and roaming revenue, while voice rate realisation remained flat.

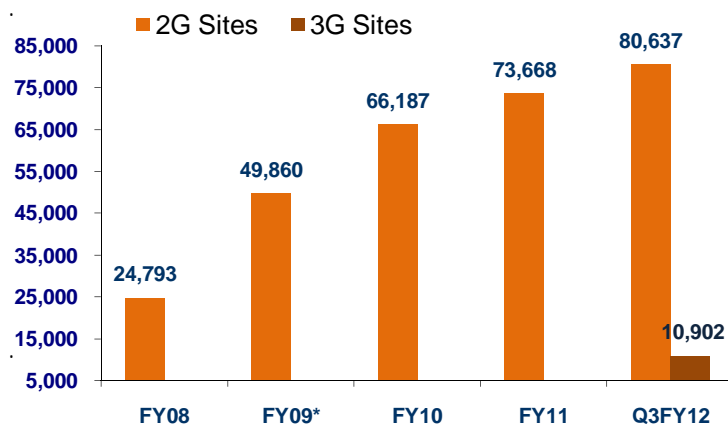
The revenue growth has translated into EBITDA margin improvement by 1.2% over previous quarter, @ 23.7%. On a YoY basis absolute EBITDA has grown to Rs. 11,986 million (Q3FY12) in comparison to Rs. 8,214 million (Q3FY11).

However, the standalone YTD Q3FY12 PAT of Rs. 4,020 million has declined inspite of revenue growth, compared to YTD Q3FY11 PAT of Rs. 5,802 million, primarily on account of higher depreciation & amortisation and interest & financing cost w.r.t. 3G investments, and higher provision for deferred tax. The Q3FY12 standalone PAT is Rs. 1,687 million and the Cash Profit of Rs. 9,452 million registered a growth of 19.9% on QoQ basis

### C. Impact of Forex fluctuation and Balance Sheet

The capex and net debt amounts are higher by around Rs. 3.6 billion each due to forex loss on account of rupee depreciation. The capex of Rs. 9.0 billion (net of capitalised forex loss) for the quarter has been funded entirely out of cash profit of Rs. 9.5 billion. The Net Debt stands at Rs. 115.7 billion as of December, 2011 with the Net Debt to Equity ratio at 0.91 and Net Debt to EBITDA (Annualised) ratio for the quarter at 2.41. The Net-Worth of Rs. 127.0 billion, together with an average (last four quarters) Cash Profit of over Rs. 8.5 billion per quarter, provides a solid foundation to support the company's strategic intent.

### D. Capex



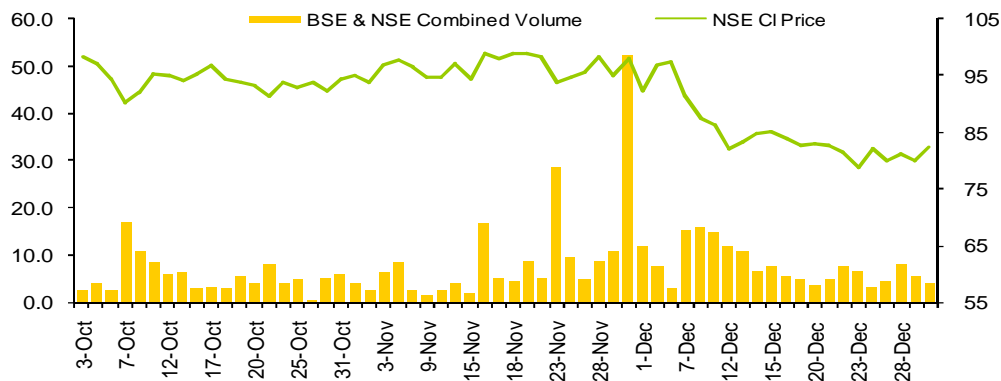
Idea rolled out 2,270 2G cell sites during the quarter, taking EoP 2G cell sites count to 80,637, while count of 3G cell sites (Node B) increased to 10,902 compared to 9,744 in Q2FY12.

The total addition to the Gross Block including CWIP was Rs. 12.6 billion for Q3FY12, including Rs. 3.6 bn on account of capitalised foreign exchange loss. The total capex guidance for Idea Standalone stands at Rs. 40 billion.

## 8. Stock Market Highlights

General Information		
BSE Code		532821
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (31/12/2011)	mn	3307.43
Closing Market Price - NSE (31/12/2011)	INR/share	82.30
Combined Volume (NSE & BSE) (01/10/2011 to 31/12/2011)	mn/day	7.6
Combined Value (NSE & BSE) (01/10/2011 to 31/12/2011)	INR mn/day	696.6
Market Capitalisation (31/12/2011)	INR bn	272
EPS (excl. Joint Ventures) for the Quarter	INR/share	0.51
Enterprise Value (31/12/2011)	INR bn	388
Price to Earning	times	40.3
Price to Cash Earning	times	7.2
Price to Book Value	times	2.1

**Idea Cellular Daily Stock Price (NSE) & Volume (Combined of BSE & NSE) Movement**  
 Volume (no. of Shares in mn) Closing Price (INR)



## 9. Shareholding Pattern as on December 31, 2011:

Particulars	Idea Cellular Ltd.	
	No. of Shares	% holding
<b>Promoter and Promoter Group</b>		
Indian	1,520,679,047	45.98%
Foreign		
<b>Public Shareholding</b>		
Foreign Holding	1,438,415,576	43.49%
Indian Institutions	249,946,433	7.56%
Others	98,386,784	2.97%
<b>Total</b>	<b>3,307,427,840</b>	<b>100.00%</b>

## 10. Glossary

Definitions/Abbreviation	Description/Full Form
Established service areas	Represent 13 service areas of Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan and Himachal Pradesh service areas, and also include the service areas of Punjab and Karnataka of erstwhile Spice from March 01, 2010
Annualized EBITDA	Annualised figure of quarterly EBITDA
ARPU (Average Revenue Per User)	Is calculated by dividing services revenue (exclusive of infrastructure revenues) for the relevant period by the average number of subscribers during the period. Average number of subscribers during the period is calculated as average of average subscribers for each month. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ARPM (Average realisation per Minute)	ARPM is calculated as ARPU divided by MoUs/Subscriber
Book Value/Share	Is calculated as Total Assets reduced by loan funds and deferred tax liability, divided by the number of outstanding equity shares
BSE	Bombay Stock Exchange
Churn	Churn relates to subscribers who are removed from the EoP base for discontinuing to use the service of the company
Cash Profit	Is calculated as the summation of PAT, Depreciation, charge on account of ESOPs and Deferred Tax, for the relevant period.
Cash Earning / Share	Is calculated by dividing the cash profit for the period by weighted average number of outstanding equity shares.
DoT	Department of Telecommunications
EBIT	Earnings Before Interest and Tax
EBITDA (Earnings before interest, tax, depreciation and amortisation)	This is the amount after deducting operating expenditure from total income. Total income is comprised of service revenue, sales of trading goods and other income. Operating expenditure is comprised of cost of trading goods, personnel expenditure, network operating expenditure, license and WPC charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement and business promotion expenditure and administration & other expenses
Enterprise Value	Is calculated as the summation of Market Capitalisation and Net Debt
EPS	Earning per share, is calculated by dividing the Profit after Tax for the period by the weighted average number of outstanding equity shares
EoP	End of period
FY	Financial year ending March 31
GSM	Global System for Mobile communications, the most popular standard



Definitions/Abbreviation	Description/Full Form
	for mobile telephony in the world
Gross Revenue	Is calculated as the summation of service revenue, revenue from sale of trading goods and other non-service revenue.
Indian GAAP	Indian Generally Accepted Accounting Principles
IRU	Indefeasible right of use
MoUs/Sub (Average Minutes of Usages per Subs)	Is calculated as, total Minutes of Use by Mobile Subscribers during the period divided by the average of subscribers during the period
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customers for the period
Net Debt	Total loan funds reduced by cash and cash equivalents
Net Worth	Calculated as the summation of Share Capital and Reserves & Surplus reduced by debit balance of Profit & Loss account
New Service Areas	Represent 9 service areas of Mumbai, Bihar, Orissa, Tamil Nadu, J&K, Kolkata, West Bengal, Assam and the North East service areas.
NSE	National Stock Exchange
PBT	Profit before Tax
PAT	Profit after Tax
Price to Book Value	Is calculated by dividing the closing market price at the end of the quarter (NSE) by the Book Value/ Share
Price to Cash Earning	Is calculated by dividing the closing market price at the end of the quarter (NSE) by the annualised Cash Earning/Share
Price to Earning	Is calculated by dividing the closing market price (NSE) by the annualised EPS
ROCE	ROCE is calculated as a) for the year: PAT plus gross int. & fin. cost divided by average capital employed for the year, b) for the quarter : PAT plus gross int. & fin. cost for the quarter is annualised and divided by capital employed for the quarter. Capital employed is taken as the average of opening and closing of Shareholders Funds and Loan Funds reduced by the debit balance of P&L account, for the respective period
Subscribers	Mobile telephone service customers
SIM	Subscriber Identity Module
Service Area	Unless otherwise specifically mentioned, means telecom service areas in India as defined by the DoT.
TRAI	Telecom Regulatory Authority of India