



Media Release

Mumbai –April 28, 2015

Idea Cellular announces audited results for the Fourth Quarter (Q4) and Financial Year ended March 31, 2015

Highlights – Q4 FY15

- Idea – Standalone¹ – Revenue Rs. 84,165mn, EBITDA Rs. 27,828mn, PAT Rs. 10,077mn
- Idea – Consolidated² – Revenue Rs. 84,225mn, EBITDA Rs. 30,645mn, PAT Rs. 9,418mn

	INR million							
	Idea Standalone ¹				Idea Consolidated ²			
	Q4FY15	Q3FY15	FY15	FY14	Q4FY15	Q3FY15	FY15	FY14
Revenue - Established Service Areas ³	78,995	75,543	2,97,522	2,51,296				
Revenue - New Service Areas ⁴	5,170	4,605	18,027	13,741				
Total Revenue	84,165	80,148	3,15,548	2,65,036	84,225	80,175	3,15,709	2,65,189
EBITDA - Established Service Areas ³	29,577	26,741	1,04,835	79,339				
EBITDA - New Service Area ⁴	(1,749)	(1,881)	(7,156)	(5,873)				
Total EBITDA	27,828	24,860	97,679	73,467	30,645	27,527	1,08,118	82,921
EBITDA% - Established Service Areas ³	37.4%	35.4%	35.2%	31.6%				
EBITDA% - New Service Areas ⁴	-33.8%	-40.8%	-39.7%	-42.7%				
Total EBITDA%	33.1%	31.0%	31.0%	27.7%	36.4%	34.3%	34.2%	31.3%
Depreciation & Amortisation	13,837	13,792	48,989	41,291	14,877	14,826	53,036	45,194
EBIT	13,991	11,068	48,690	32,176	15,768	12,700	55,081	37,727
Interest and Financing Cost (Net)	816	720	4,718	5,858	1,052	983	5,755	7,284
Dividend from Indus	1,602	-	6,250	838			-	-
PBT	14,777	10,348	50,223	27,157	14,715	11,717	49,326	30,443
PAT	10,077	6,783	34,772	17,932	9,418	7,671	31,929	19,678
Cash Profit ⁵	26,149	20,286	84,820	64,350	26,602	22,216	86,162	70,370

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.

Due to the changes in the TRAI Interconnect (IUC) regulations (Amendment XIth and XIIth) effective March 01, 2015, the results for this quarter and financial year 2014-15 are not comparable to earlier quarters & financial years. The gross revenue both for the quarter Q4FY15 and for FY15 is negatively impacted by -Rs. 1050 million, though the impact on EBITDA is minimal.

Idea continues its enviable track record of being amongst the fastest growing large Indian Mobile operators with 19.1% growth in gross revenue in FY15 at Rs. 3,15,548 million, nearly 1.8 times the wireless industry revenue growth rate (CY14). In spite of TRAI reducing the Termination Charge from earlier 20p/minute to 14p/minute from other telecom operators (and no IUC charge on the calls originating or terminating to Wireline networks), the sequential quarterly revenue has grown by 5% in Q4FY15 (normalized QoQ revenue growth of 6.3%) driven by a) 9.2 million Active Subscriber addition (VLR Adds), b) sharp expansion of voice minutes @8.4% to 185 billion minutes and c) 18.3% Mobile data volume (2G+3G) growth to 54.5 billion Megabytes v/s Q3FY15; a clear testimony of strong consumer demand for Idea Mobile services.



Idea has clocked 23.5 million net VLR subscriber addition in FY15 against 17.7 million net VLR addition in FY14, now servicing a strong 161.4 million quality consumers across India. Competitively, the company has improved its standing with customer Market share (on VLR) @ 18.6% (Feb'15) and 'Revenue Market Share' (RMS) @17.5% in Q3FY15, an RMS improvement of over 1.4% compared to Q3FY14. In spite of large subscriber additions, the quality of Idea overall consumer base improved its ARPU to Rs. 179 (v/s Rs. 173 in Q4FY14) and Voice usage per subscriber increased to 400 minutes (v/s 397 in Q4FY14).

The voice rate realisation remained under pressure for the third successive quarter; fell sharply by 7.1% to 33.9p/minute from 36.5p/minute (Q4FY14) but the elasticity of demand compensated rate decline with 16.3% minute growth in FY15 v/s FY14. Additionally, faster Mobile data growth compensated the voice rate decline and consequently the 'Average Realisation Per Minute' (ARPM) improved by 2.7% to 44.8p/minute in Q4FY15 from 43.6p/minute (Q4FY14) and 'Non Voice' Revenue share increased to 24.5% this quarter (16.5% in Q4FY14).

Idea further revised Mobile Data Subscriber definition, eliminating from its reporting all incidental data users of less than 10 Megabytes/Month. The Mobile data user (2G+3G) penetration in overall base is now 21.2% at 33.4 million data subscribers with blended Mobile data ARPU (2G+3G) at Rs. 150 in Q4FY15 (v/s Rs. 104 in Q4FY14). The data 'Average Realisation Per MB' (ARMB) has remained largely flat at 25.7p/minute (25.3p/minute in Q4FY14).

The company doubled its 3G data subscriber base, adding 7.3 million new 3G users in last one year, servicing overall 14.5 million 3G data consumers. During the year, 3G Data volume exploded by nearly 2.3 times; from 13.1 billion Megabyte in Q4FY14 to 30.7 billion Megabyte in Q4FY15. To support the exponential Voice and Mobile Data growth, Idea capex spend for FY15 is Rs. 40.5 billion (excluding spectrum); adding 7,589 GSM sites and 8,910 3G cell sites and over 11,000 Km of high capacity optical fibre.

In spite of higher network expansion and cost inflationary pressures, Idea standalone EBITDA grew faster in FY15 at 33% and stands at Rs. 97,679 million, helping margin improve by 3.2% to 31%. Similarly, the strong revenue growth this quarter translated into Q4FY15 standalone EBITDA margin improvement of 2.1% at 33.1% (vs Q3FY15) and sequential quarterly growth of 11.9%.

The double bottom line drivers of Voice and Data business, scale benefits and optimization of cost has helped Idea improve its standalone Profit After Tax (PAT) by 93.9% from Rs. 17,932 million (Incl. Indus dividend of Rs. 838 million) in FY14 to Rs. 34,772 million (Incl. Indus dividend of Rs. 6,250 million) this financial year.

At consolidated level including Indus contribution of 16%, the company revenue in FY15 has grown by 19.1%, consolidated annual EBITDA grew by 30.4% to Rs. 108,118 million, EBITDA margin improved to 34.2% and annual PAT is at Rs. 31,929 million, an annual growth of 62.3%.

With strong performance, the board of Idea is pleased to recommend increased dividend @ 6%, an overall payment of Rs. 2,598 million (including dividend distribution tax).

In the recently concluded March 2015 DoT sponsored Spectrum Auction, Idea won 79.4 MHz of spectrum, successfully ensuring continuity of services for its 107.6 million customers (68% of total customer base) in 9 service areas with licenses expiring in December 2015/April 2016, for next 20 years. Including 7 new licenses spectrum acquisition in 2012, Idea has achieved amongst the highest renewal of 16 out of total 22 Indian telecom licenses, laying solid foundation for growth of



business till year 2035 (2032 for 7 licenses). Besides retention of existing efficient 900 MHz spectrum, the company has also managed to expand its 3G spectrum footprint to 13th service area; Kolkata Metro, with ability now to offer 3G services to 80% of Idea revenue base.

Additionally, the company has acquired spectrum and the ability to launch 4G services on 1800 MHz spectrum in service areas of Tamil Nadu (incl. Chennai) and Orissa, expanding Idea 4G 1800 MHz contiguous spectrum footprint to 10 service areas covering most of its strategic markets with ability to offer LTE services to 61% of Idea existing revenue.

In March 2015 auction, on overall basis, Idea has won 54 MHz of efficient 900 MHz band, 20.4 MHz in 1800 MHz band and 5 MHz in 2100 MHz band, a total quantum of 79.4 MHz spectrum, across 14 circles for a total bid value of Rs. 301,375 million. The company has opted for DoT's deferred payment option. The company has made upfront payment of Rs. 77,342 million including payment of Rs. 19,350 million on March 31, 2015 and the remaining amount on April 09, 2015.

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, competitive & multiband spectrum profile; reaffirms its ability to strengthen its market position and improve presence across new and emerging 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 17.5% (Q3FY15). 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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