

ADITYA BIRLA



IDEA Cellular

1/13

July 21, 2015

The National Stock Exchange of India Limited
"Exchange Plaza",
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

Fax No. 022-26598237/38/8347/8348

Dear Sir,

**Sub: Publication of Un-audited Results for the first quarter ended
30th June, 2015 (Clause 41)
Ref: "Idea Cellular Limited" (Symbol: IDEA)**

Pursuant to Clause 41 of the Listing Agreement, please find attached herewith Un-audited Financial Results of the Company for the first quarter ended 30th June, 2015 together with the Limited Review Report of the Statutory Auditors thereon.

The aforesaid results have been taken on record by the Board of Directors of the Company at their just concluded meeting.

Kindly acknowledge the receipt.

Thanking you,

Yours truly,

For Idea Cellular Limited

**Pankaj Kapdeo
Company Secretary**

Encl: As above

Idea

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

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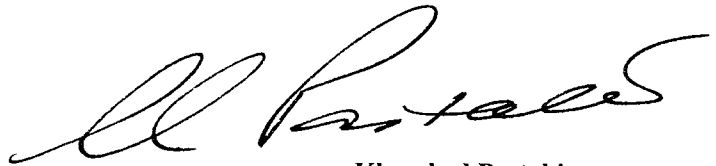
**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
IDEA CELLULAR LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **IDEA CELLULAR LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") and jointly controlled entity for the quarter ended 30th June 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 7 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:
 - a. Idea Cellular Limited (ICL) (Holding Company)
 - b. Idea Cellular Services Limited (100% subsidiary of ICL)
 - c. Idea Cellular Infrastructure Services Limited (100% subsidiary of ICL)
 - d. Aditya Birla Telecom Limited (ABTL) (100% subsidiary of ICL)
 - e. Idea Telesystems Limited (100% subsidiary of ICL)
 - f. Idea Mobile Commerce Services Limited (100% subsidiary of ICL)
 - g. Indus Towers Limited (Jointly controlled entity of ABTL)
4. We did not review the interim financial statements of Indus Towers Limited included in the consolidated financial results, whose interim financial statements reflect the Group's share of Income from Operations of Rs. 62,062 lakhs for the quarter ended 30th June 2015 and profit after tax of Rs. 9,074 lakhs for the quarter ended 30th June 2015, as considered in the consolidated financial results. These interim financial statements have been audited by another auditor whose report has been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, is based solely on the report of the other auditor.
5. Based on our review conducted as stated above and based on the consideration of the report of the other auditor referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards

specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 3 of the Statement which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunication (DoT) demand notices for one time spectrum charges. Our conclusion is not qualified in respect of this matter.
7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter ended 30th June 2015 of the Statement, from the details furnished by the Management.

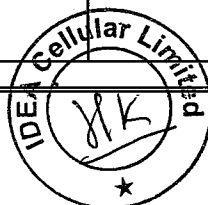
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Khurshed Pastakia
Partner
Membership No: 31544

Mumbai: 21st July, 2015

IDEA CELLULAR LIMITED Idea Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976 Unaudited Consolidated Financial Results for the quarter ended 30-June-2015 Part I (₹ Lacs, except per share data)				
Particulars	Quarter ended			Year Ended
	30-Jun-15 Unaudited	31-Mar-15 Audited (refer note 5)	30-Jun-14 Unaudited	31-Mar-15 Audited
Net Sales / Income from Operations	879,471	839,722	755,465	3,152,687
Other Operating Income	364	2,529	634	4,402
TOTAL REVENUE	879,835	842,251	756,099	3,157,089
Cost of Trading Goods	862	2,372	3,842	14,517
Personnel Expenditure	39,011	38,599	35,689	152,987
Network Expense & IT Outsourcing Cost	198,964	179,153	181,677	719,569
License Fees and Spectrum Usage Charges	102,174	94,987	83,523	353,515
Roaming & Access Charges	115,136	123,851	114,435	473,132
Subscriber Acquisition & Servicing Expenditure & Advertisement and Business Promotion Expenditure	78,860	80,751	67,601	287,827
Depreciation & Amortisation	151,590	148,771	115,449	530,362
Other Expenditure	21,990	16,088	18,949	74,375
TOTAL EXPENDITURE	708,587	684,572	621,165	2,606,284
PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE CHARGES AND TAX	171,248	157,679	134,934	550,805
Other Income	12,243	18,640	3,409	46,967
PROFIT BEFORE FINANCE CHARGES AND TAX	183,491	176,319	138,343	597,772
Finance Charges	40,163	29,165	26,157	104,519
PROFIT BEFORE TAX	143,328	147,154	112,186	493,253
Provision for Taxation (Net of MAT credit)	50,245	52,977	39,366	173,962
NET PROFIT AFTER TAX	93,083	94,177	72,820	319,291
Paid up Equity Share Capital (Face value ₹ 10 per share)	359,871	359,784	354,406	359,784
Reserves excluding Revaluation Reserve				1,942,947
Earnings Per Share for the period (₹)				
- Basic	2.59	2.62	2.16	9.03
- Diluted	2.58	2.61	2.15	8.99
Part II - Select Information for the quarter ended 30-June-2015				
A. Particulars of Share Holding				
1. Public Shareholding				
-Number of Shares	2,078,033,097	2,077,165,380	2,023,380,831	2,077,165,380
-Percentage of Shareholdings	57.74%	57.73%	57.09%	57.73%
2. Promoters and promoter group shareholding				
a) Pledged/Encumbered				
- No. of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%
- Percentage of shares (as a % of the total share capital of the Company)	0.00%	0.00%	0.00%	0.00%
b) Non-encumbered				
- No. of shares	1,520,679,047	1,520,679,047	1,520,679,047	1,520,679,047
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	42.26%	42.27%	42.91%	42.27%
B. Investor Complaints				
Quarter ended 30-June-15				
Pending at the beginning of the quarter	0			
Received during the quarter	44			
Disposed off during the quarter	44			
Remaining unresolved at the end of the quarter	0			



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 IDEA CELLULAR LIMITED Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976 Unaudited Consolidated Financial Results for the quarter ended 30-June-2015				
Segmental Reporting				₹ Lacs
Particulars	Quarter ended			Year Ended
	30-Jun-15 Unaudited	31-Mar-15 Audited (refer note 5)	30-Jun-14 Unaudited	31-Mar-15 Audited
Segment Revenue				
Net Sales / Income from each segment				
Mobility	866,035	829,948	744,672	3,113,116
International Long Distance	18,900	14,635	14,810	58,099
Passive Infrastructure	68,485	68,018	63,667	263,268
Total	953,420	912,601	823,149	3,434,483
Less: Inter Segment Eliminations	(73,949)	(72,879)	(67,684)	(281,796)
Net Sales / Income from Operations	879,471	839,722	755,465	3,152,687
Segment Results				
Profit from Operations before Other Income, Finance Charges and Tax from each segment				
Mobility	152,055	137,297	116,141	475,117
International Long Distance	1,104	743	3,338	7,508
Passive Infrastructure	18,089	19,639	15,455	68,180
Profit from Operations before Other Income, Finance Charges and Tax	171,248	157,679	134,934	550,805
Add: Unallocable Income	12,243	18,640	3,409	46,967
Less: Finance Charges	40,163	29,165	26,157	104,519
Profit before Tax	143,328	147,154	112,186	493,253
Capital Employed (Segment Assets - Segment Liabilities)				
Mobility	3,987,573	3,379,785	3,171,041	3,379,785
International Long Distance	454	2,200	1,730	2,200
Passive Infrastructure	324,688	335,806	341,585	335,806
Unallocated	325,614	1,461,194	616,546	1,461,194
Total	4,638,329	5,178,985	4,130,902	5,178,985



Notes

1. The above unaudited consolidated financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 21st July 2015. Limited Review, as required under Clause 41 of Listing Agreement, has been carried out by the Statutory Auditors.
2. The consolidated financial results have been prepared in accordance with Accounting Standard – 21 on "Consolidated Financial Statements" and Accounting Standard – 27 on "Financial Reporting of Interests in Joint Ventures". Financial results of the following subsidiaries viz. Idea Cellular Services Limited, Idea Cellular Infrastructure Services Limited, Idea Telesystems Limited, Idea Mobile Commerce Services Limited and Aditya Birla Telecom Limited (ABTL) & its Joint Venture Indus Towers Limited, have been consolidated.
3. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
 - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 36,913 Lacs, and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 174,437 Lacs.

In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the consolidated financial results for the above.

4. Unaudited financial results of Idea Cellular Limited (Standalone) :-

₹ Lacs

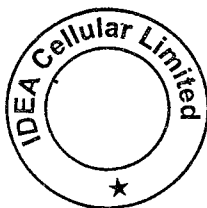
Particulars	Quarter ended		Year ended	
	30-Jun-15 Unaudited	31-Mar-15 Audited	30-Jun-14 Unaudited	31-Mar-15 Audited
Total Revenues	875,884	835,782	748,480	3,127,947
Profit before Tax	126,600	129,915	99,166	433,908
Net Profit after Tax	82,123	83,726	64,254	280,984

5. The financial results for the quarter ended 31st March 2015 are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter.
6. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of
IDEA CELLULAR LIMITED

Himanshu Kapania
Himanshu Kapania
Managing Director

Date : 21st July 2015
Place : Mumbai



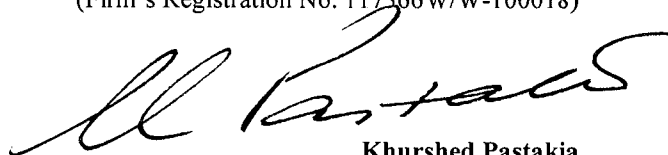
Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
IDEA CELLULAR LIMITED**

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **IDEA CELLULAR LIMITED** ("the Company") for the quarter ended 30th June 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 2 of the Statement which describes the uncertainties related to the legal outcome in respect of the Department of Telecommunication (DoT) demand notices for one time spectrum charges. Our conclusion is not qualified in respect of this matter.
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter ended 30th June 2015 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

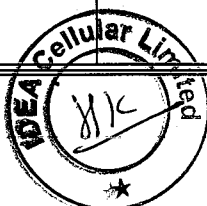


Khurshed Pastakia
Partner
(Membership No. 31544)

MUMBAI: 21st July 2015

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IDEA CELLULAR LIMITED				
Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976				
Unaudited Financial Results for the quarter ended 30-June-2015				
idea		(₹ Lacs, except per share data)		
Part I				
Particulars	Quarter ended			Year ended
	30-Jun-15 Unaudited	31-Mar-15 Audited (refer note 3)	30-Jun-14 Unaudited	31-Mar-15 Audited
Net Sales / Income from Operations	875,716	833,884	748,325	3,125,207
Other Operating Income	168	1,898	155	2,740
TOTAL REVENUE	875,884	835,782	748,480	3,127,947
Personnel Expenditure	34,540	34,192	31,483	135,873
Network Expenses & IT Outsourcing Cost	227,487	209,051	206,925	828,866
License Fees and Spectrum Usage Charges	102,174	94,987	83,523	353,515
Roaming & Access Charges	115,136	123,851	114,435	473,132
Subscriber Acquisition & Servicing Expenditure & Advertisement and Business Promotion Expenditure	82,284	83,559	70,285	299,674
Depreciation & Amortisation	140,455	136,807	104,975	485,501
Other Expenditure	20,549	15,072	17,566	69,546
TOTAL EXPENDITURE	722,625	697,519	629,192	2,646,107
PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE CHARGES AND TAX	153,259	138,263	119,288	481,840
Other Income	10,977	18,344	2,823	45,234
PROFIT BEFORE FINANCE CHARGES AND TAX	164,236	156,607	122,111	527,074
Finance Charges	37,636	26,692	22,945	93,166
PROFIT BEFORE TAX	126,600	129,915	99,166	433,908
Provision for Taxation (Net of MAT credit)	44,477	46,189	34,912	152,924
NET PROFIT AFTER TAX	82,123	83,726	64,254	280,984
Paid up Equity Share Capital (Face value ₹ 10 per share)	359,871	359,784	354,406	359,784
Reserves excluding Revaluation Reserve				1,829,230
Earnings Per Share for the period (₹)				
- Basic	2.28	2.33	1.91	7.94
- Diluted	2.27	2.32	1.90	7.91
Part II - Select Information for the quarter ended 30-June-2015				
A. Particulars of Share Holding				
1. Public Shareholding				
- Number of Shares	2,078,033,097	2,077,165,380	2,023,380,831	2,077,165,380
- Percentage of Shareholdings	57.74%	57.73%	57.09%	57.73%
2. Promoters and promoter group shareholding				
a) Pledged/Encumbered				
- No. of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%
- Percentage of shares (as a % of the total share capital of the Company)	0.00%	0.00%	0.00%	0.00%
b) Non-encumbered				
- No. of shares	1,520,679,047	1,520,679,047	1,520,679,047	1,520,679,047
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	42.26%	42.27%	42.91%	42.27%
B. Investor Complaints				
Quarter ended 30-June-15				
Pending at the beginning of the quarter	0			
Received during the quarter	44			
Disposed off during the quarter	44			
Remaining unresolved at the end of the quarter	0			



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IDEA CELLULAR LIMITED

Read Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976

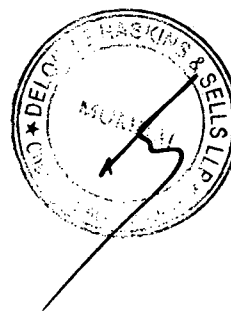
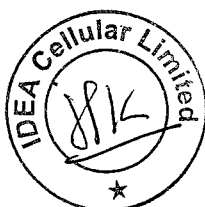
idea

Unaudited Financial Results for the quarter ended 30-June-2015

Segmental Reporting

₹ Lacs

Particulars	Quarter ended			Year ended
	30-Jun-15 Unaudited	31-Mar-15 Audited (refer note 3)	30-Jun-14 Unaudited	31-Mar-15 Audited
Segment Revenue				
Net Sales / Income from each segment				
Mobility	865,004	827,186	739,915	3,095,930
International Long Distance	18,900	14,635	14,810	58,099
Total	883,904	841,821	754,725	3,154,029
Less: Inter Segment Eliminations	(8,188)	(7,937)	(6,400)	(28,822)
Net sales / Income from operations	875,716	833,884	748,325	3,125,207
Segment Results				
Profit from Operations before Other Income, Finance Charges and Tax from each segment				
Mobility	152,155	137,520	115,950	474,332
International Long Distance	1,104	743	3,338	7,508
Profit from Operations before Other Income, Finance Charges and Tax	153,259	138,263	119,288	481,840
Add: Unallocable Income	10,977	18,344	2,823	45,234
Less: Finance Charges	37,636	26,692	22,945	93,166
Profit before tax	126,600	129,915	99,166	433,908
Capital Employed (Segment assets - Segment liabilities)				
Mobility	3,988,606	3,379,045	3,173,936	3,379,045
International Long Distance	454	2,200	1,730	2,200
Unallocated	408,508	1,556,219	717,113	1,556,219
Total	4,397,568	4,937,464	3,892,779	4,937,464



Notes

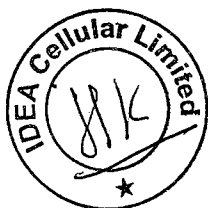
1. The above unaudited financial results, as reviewed by the Audit Committee of the Board, were approved and taken on record by the Board of Directors at their meeting held on 21st July 2015. Limited Review, as required under Clause 41 of Listing Agreement, has been carried out by the Statutory Auditors.
2. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
 - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 36,913 Lacs, and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 174,437 Lacs.

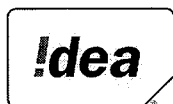
In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has directed the DoT, not to take any coercive action until the matter is further heard. No effects have been given in the financial results for the above.
3. The financial results for the quarter ended 31st March 2015 are balancing figures between audited results for the full financial year and the published year to date figures upto the third quarter.
4. Previous periods' figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors of
IDEA CELLULAR LIMITED

Himanshu Kapania
Himanshu Kapania
Managing Director

Date : 21st July 2015
Place : Mumbai





11/13



Media Release

Mumbai –July 21, 2015

Idea Cellular announces un-audited results for the First Quarter (Q1) ended June 30, 2015

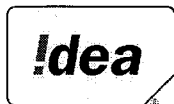
Highlights – Q1 FY16

- Idea – Standalone¹ – Revenue Rs. 87,965mn, EBITDA Rs. 29,613mn, PAT Rs. 8,401mn
- Idea – Consolidated² – Revenue Rs. 87,983mn, EBITDA Rs. 32,284mn, PAT Rs. 9,308mn

	Idea Standalone ¹			Idea Consolidated ²		
	Q1FY16	Q4FY15	Q1FY15	Q1FY16	Q4FY15	Q1FY15
Revenue - Established Service Areas ³	82,517	78,995	71,547			
Revenue - New Service Areas ⁴	5,448	5,170	4,015			
Total Revenue	87,965	84,165	75,562	87,983	84,225	75,610
EBITDA - Established Service Areas ³	31,310	29,577	24,325			
EBITDA - New Service Area ⁴	(1,697)	(1,749)	(1,729)			
Total EBITDA	29,613	27,828	22,596	32,284	30,645	25,039
EBITDA% - Established Service Areas ³	37.9%	37.4%	34.0%			
EBITDA% - New Service Areas ⁴	-31.2%	-33.8%	-43.1%			
Total EBITDA%	33.7%	33.1%	29.9%	36.7%	36.4%	33.1%
Depreciation & Amortisation	14,128	13,837	10,586	15,159	14,877	11,545
EBIT	15,486	13,991	12,010	17,125	15,768	13,494
Interest and Financing Cost (Net)	2,559	816	2,005	2,792	1,052	2,275
Dividend from Indus	-	1,602	3,623			-
PBT	12,926	14,777	13,628	14,333	14,715	11,219
PAT	8,401	10,077	10,117	9,308	9,418	7,282
Cash Profit ⁵	25,531	26,149	20,230	27,437	26,602	18,373

Due to changes in the TRAI Interconnect (IUC) regulations (Amendment XIth and XIIth) effective from March 01, 2015 primarily reducing mobile incoming IUC charges from 20p to 14p/min the revenue figures for this quarter are not comparable to earlier quarters. The gross revenue for Q1FY16 is negatively impacted by ~Rs 3,170 million (compared to Q1FY15), due to IUC rate changes. Additionally, implementation of TRAI Roaming TTO (Sixtieth Amendment) effective from May 01, 2015 reducing the upper cap for national roaming voice call charges & SMS charges between 20%-75% & increase in service tax rate effective from June 01, 2015 from 12.36% to 14% have also impacted the financial results for this quarter.

In spite of the above, Idea, the fastest growing large Indian mobile operator, starts the new financial year with 16.4% YoY growth in gross revenue in Q1FY16 at Rs. 87,965 million. On the sequential quarterly basis the gross revenue has grown by 4.5% in Q1FY16 (normalized for IUC change QoQ revenue growth @6.9%) primarily driven by a) 4.4 million active subscribers addition (VLR), b) expansion of voice minutes @ 5.8% clocking 195.8 billion minutes on Network and c) 15% Mobile data (2G+3G) volume growth to 62.7 billion Megabytes.



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Idea clocked 24.9 million annual net VLR subscriber additions between July'14 to Jun'15 against 18.6 million additions in the same period previous year and is now servicing 165.8 million quality consumers in India. Competitively, the company has improved its standing with Customer Market Share (on VLR) @18.9% (May'15) and Revenue Market Share (RMS) @18.2% in Q4FY15, an RMS improvement of over 1.6% compared to Q4FY14. Despite the large subscriber addition the quality of Idea's overall consumer base has been steady with ARPU at Rs. 182 (v/s Rs. 181 in Q1FY15) and Voice usage per subscriber at 408 minutes (v/s 401 minutes in Q1FY15).

The Voice rate realisation remained under pressure and fell sharply by 11.2% to 32.9p/min, including the impact of TRAI regulation changes and increase in service tax rate, but the elasticity of demand compensated the rate decline with 18.5% minute growth in Q1FY16 vs Q1FY15. However, because of mobile data growth the blended 'Average Realisation per Minute' (ARPM) was lower by only 1.3% to 44.5p/min in Q1FY16 from 45.1p/min (Q1FY15) and the 'Non-Voice' revenue share increased to 26.1% this quarter (17.8% in Q1FY15).

The net mobile data customer base has risen in this quarter by 3.7 million to 37.2 million, with 22.9% of overall Idea subscriber base using Idea 2G or 3G platform to access internet. Due to increased competition, the blended data 'Average Realisation Per MB' (ARMB) has sharply fallen YoY by 6.5% from 26.3p/Mb in Q1FY15 to 24.6p/Mb in Q1FY16. But, the higher mobile data usage per data customer @ nearly 600 MB/sub (409 MB/sub in Q1FY15) helped improve the blended Mobile data ARPU (2G+3G) to Rs. 147 (v/s Rs. 108 in Q1FY15).

The 3G subscriber base for the company has grown by ~90% over last one year, with addition of 7.9 million new 3G data customers, now servicing overall 16.7 million 3G data customers. Over last one year, 3G data volume growth led the growth of overall Mobile data traffic (2G+3G) by nearly 1.9 times from 32.5 million Megabytes in Q1FY15 to 62.7 million Megabytes in Q1FY16.

To support this exponential Voice & mobile data growth, Idea capex spend in Q1FY16 is Rs. 13,674 million (excluding spectrum, Interest & exchange rate difference capitalization); adding 3,208 2G sites, 3,330 3G sites and ~1,700 km of OFC network. Today Idea covers nearly 80% of Indian population at ~950 million for GSM services and ~275 million Indian population on own spectrum 3G services. The capex spend for the quarter was fully funded from quarterly cash profit of Rs. 25,531 million.

In spite of higher network expansion & multiple cost inflationary pressures, Idea standalone EBITDA grew by 31.1% in Q1FY16 and stands at Rs. 29,613 million, helping EBITDA margin to improve YoY by 3.8% to 33.7%. Further, even after accounting for higher Depreciation & Amortisation charge and high interest charge (including interest charge for upfront payment for Mar'15 auction and for Delhi 900 MHz spectrum), the company delivered 'Profit After Tax' (PAT) at Rs. 8,401 million, a growth of 29.4% in comparison to PAT of Rs. 6,495 million (excluding Indus dividend Rs. 3,623 million) in Q1FY15.

At consolidated level including 16% of Indus contribution, the gross revenue in Q1FY16 has grown by 16.4% to Rs. 87,983 million, the EBITDA at Rs. 32,284 million grew by 28.9%, EBITDA margin improved by 3.6% to 36.7% and Q1FY16 PAT at Rs. 9,308 million, a growth of 27.8% (v/s Q1FY15).

Since 2010, in the last 4 spectrum auctions, with a commitment of Rs. 483,616 million for spectrum, Idea has managed to improve its spectrum portfolio from 101.8 MHz (March 2010, excluding 7 cancelled licenses) to 270.7 MHz. The company is slated to launch its Kolkata 3G services by end of this calendar year.



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Idea has also initiated multiple steps towards introduction of 4G LTE services on 1800 MHz spectrum band in 10 service areas of Kerala (10 MHz), Maharashtra & Goa, Andhra Pradesh, Karnataka, Madhya Pradesh & Chhattisgarh, Punjab, Haryana, North East, Tamil Nadu and Orissa (5MHz each), in a phased manner from calendar year 2016 onwards. The company is also in the process of revisiting its existing Value Added Services offering and intends to introduce its own range of 'Digital Services' across various categories like entertainment, information, communication, utilities and API services etc. in next financial year.

As mobility market services expand, Indian telecom business offers exciting growth opportunities in Mobile broadband & rural voice telephony. Brand Idea with increasing consumer affinity, strong cash flows, Pan India 2G presence, expanding 3G network footprint & planned 4G network launch is gearing itself to strengthen its market position and improve standing across existing 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 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 18.2% (Q4FY15). 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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