

August 8, 2016

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

**Sub: Un-audited Financial Results for the Quarter Ended 30th June, 2016 -
Regulation 33 of SEBI (LODR) Regulations, 2015**

Ref: "Idea Cellular Limited" (IDEA / 532822)

In continuation of our letter dated July 27, 2016 and pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Un-audited Financial Results (Standalone and Consolidated) of the Company for the first quarter ended 30th June, 2016, together with the Limited Review Report of the Statutory Auditors' thereon.

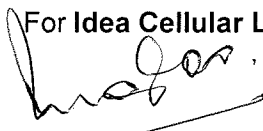
The aforesaid results have been approved by the Board of Directors of the Company at their meeting held today, which commenced on 2:15 P.M. and concluded at 4:30 P.M.

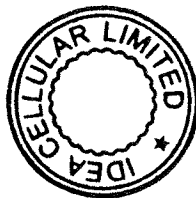
A copy of Press Release issued in this regard is also attached herewith.

The above is for your information and dissemination to the public at large.

Thanking you,

Yours truly,

For Idea Cellular Limited

Pankaj Kapdeo
Company Secretary



Encl: As above



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 AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

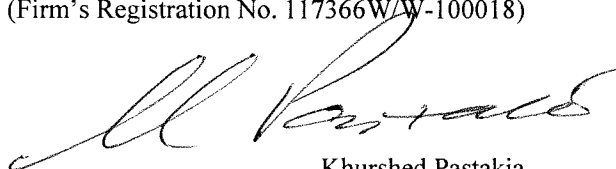
TO THE BOARD OF DIRECTORS OF IDEA CELLULAR LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **IDEA CELLULAR LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity and its share of the loss of its associate for the Quarter ended June 30, 2016 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Holding 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)
 - h. Aditya Birla Idea Payments Bank Limited (Associate of ICL)



4. The consolidated financial results include the Group's share of profit after tax of Rs. 1,055.79 Mn and Total comprehensive income of Rs. 1,054.89 Mn for the Quarter ended June 30, 2016, as considered in the consolidated financial results, in respect of one jointly controlled entity (Indus Towers Limited) of Aditya Birla Telecom Limited (Subsidiary of the Company), whose interim financial statements have not been reviewed by us. These interim financial statements have been audited by other auditors whose reports have 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 reports of the other auditors.
5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors 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 aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 5 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.

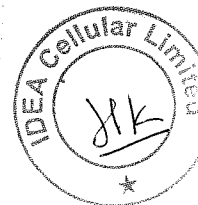
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Khurshed Pastakia
Partner
(Membership No. 31544)

MUMBAI: 8th August 2016

 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-2016 (₹ Mn, except per share data)		
Particulars	Quarter Ended	
	30-Jun-16 Unaudited	30-Jun-15 Unaudited
Net Sales / Income from Operations	94,839.25	87,897.80
Other Operating Income	27.22	17.62
TOTAL REVENUE	94,866.47	87,915.42
Cost of Trading Goods	107.86	86.25
Personnel Expenditure	4,333.93	3,812.17
Network Expense & IT Outsourcing Cost	25,994.59	22,464.23
License Fees and Spectrum Usage Charges	10,973.55	10,217.41
Roaming & Access Charges	11,825.70	11,554.45
Subscriber Acquisition & Servicing Expenditure & Advertisement and Business	8,313.69	7,886.01
Promotion Expenditure		
Depreciation & Amortisation	19,191.69	14,116.81
Other Expenditure	2,574.78	2,101.64
TOTAL EXPENDITURE	83,315.79	72,238.97
PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE CHARGES AND TAX	11,550.68	15,676.45
Other Income	658.02	1,175.45
PROFIT BEFORE FINANCE CHARGES AND TAX	12,208.70	16,851.90
Finance Charges	9,881.75	4,415.04
PROFIT BEFORE TAX AND SHARE IN PROFIT / (LOSS) OF JOINT VENTURE AND ASSOCIATE	2,326.95	12,436.86
Add: Share in Profit / (Loss) of Joint Venture and Associate	1,035.14	927.28
PROFIT BEFORE TAX	3,362.09	13,364.14
Provision for Taxation (Net of MAT credit)	1,157.90	4,816.04
NET PROFIT AFTER TAX	2,204.19	8,548.10
Add: Other comprehensive income, net of tax	(33.38)	(32.06)
TOTAL COMPREHENSIVE INCOME	2,170.81	8,516.04
Paid up Equity Share Capital (Face value ₹ 10 per share)	36,008.04	35,987.12
Earnings Per Share for the period (₹)		
- Basic	0.61	2.38
- Diluted	0.61	2.37



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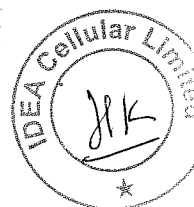
IDEA CELLULAR LIMITED

Regd Office :- Suman Towers, Plot No 18, Sector 11, Gandhi Nagar-382011, CIN-L32100GJ1996PLC030976
Unaudited Consolidated Financial Results for the quarter ended 30-June-2016

Segmental Reporting

₹ Mn

Particulars	Quarter Ended	
	30-Jun-16 Unaudited	30-Jun-15 Unaudited
Segment Revenue		
Net Sales / Income from each segment		
Mobility	93,342.04	86,572.57
International Long Distance	2,109.24	1,889.96
Passive Infrastructure	613.87	598.02
Total	96,065.15	89,060.55
Less: Inter Segment Eliminations	(1,225.90)	(1,162.75)
Net Sales / Income from Operations	94,839.25	87,897.80
Segment Results		
Profit from Operations before Other Income, Finance Charges and Tax from each segment		
Mobility	11,261.48	15,430.84
International Long Distance	144.85	110.41
Passive Infrastructure	144.35	135.20
Profit from Operations before Other Income, Finance Charges and Tax	11,550.68	15,676.45
Add: Unallocable Income	658.02	1,175.45
Less: Finance Charges	9,881.75	4,415.04
Profit before Tax and share in profit / (loss) of Joint Venture and Associate	2,326.95	12,436.86
Segment Assets		
Mobility	732,634.92	500,802.75
International Long Distance	941.65	880.37
Passive Infrastructure	20,274.79	21,150.80
Unallocated	52,415.17	28,122.91
Gross Assets	806,266.53	550,956.83
Less: Inter Segment Eliminations	(998.42)	(1,765.81)
Total Assets	805,268.11	549,191.02
Segment Liabilities		
Mobility	547,018.33	311,919.47
International Long Distance	826.48	822.23
Passive Infrastructure	1,473.48	2,169.06
Unallocated	19,254.45	16,719.30
Gross Liabilities	568,572.74	331,630.06
Less: Inter Segment Eliminations	(998.42)	(1,765.81)
Total Liabilities	567,574.32	329,864.25



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 8th August 2016.
2. The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016 with a transition date of 1st April 2015. The consolidated financial results have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial results for the quarter ended 30th June 2015 are also Ind AS compliant.
3. The format for unaudited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III to the Companies Act, 2013.
4. Reconciliation of Net Profit for the quarter ended 30th June 2015 as previously reported (referred to as IGAAP) vis-à-vis Ind AS is as below:

Particulars	Amount (₹ Mn)
Net Profit as per IGAAP	9,308.30
Effects of measuring financial instruments at fair value through profit & loss	(583.78)
Effects of inflation linked escalation on rental income / expense not requiring equalization over the lease term, hence reversed	241.22
Effects of measuring ESOP charge at Fair Value	(81.00)
Others	(45.55)
Deferred Tax impact on above changes	(133.50)
Deferred tax on undistributed earnings of Joint Venture	(157.59)
Net Profit as per Ind AS	8,548.10
Other Comprehensive Income	(32.06)
Total Comprehensive Income as per Ind AS	8,516.04

5. 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 ₹ 3,691.30 Mn, 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 ₹ 17,443.70 Mn.

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.

6. Unaudited financial results of Idea Cellular Limited (Standalone) :-
₹ Mn

Particulars	Quarter ended	
	30-Jun-16 Unaudited	30-Jun-15 Unaudited
Total Revenues	94,493.38	87,557.39
Profit before Tax	2,489.95	13,026.09
Net Profit after Tax	1,604.09	8,426.14

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

Date : 8th August 2016
Place : Mumbai

Himanshu Kapania
Himanshu Kapania
Managing Director



Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

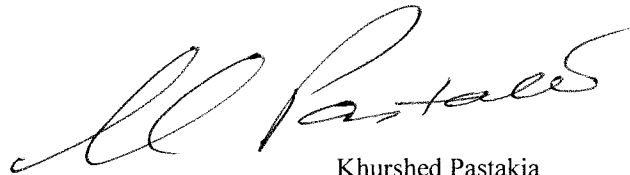
TO THE BOARD OF DIRECTORS OF IDEA CELLULAR LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **IDEA CELLULAR LIMITED** ("the Company") for the Quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. We draw attention to Note 5 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.

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

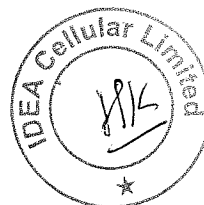
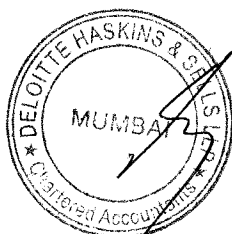


Khurshed Pastakia
Partner
(Membership No. 31544)

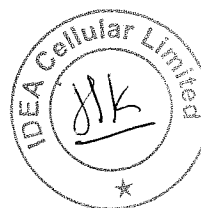
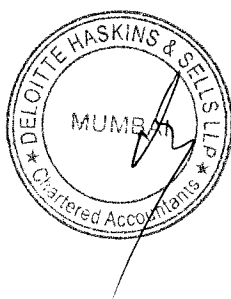
MUMBAI: 8th August 2016

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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-2016		
Particulars	(₹ Mn, except per share data)	
	Quarter Ended	
	30-Jun-16 Unaudited	30-Jun-15 Unaudited
Net Sales / Income from Operations	94,469.80	87,540.56
Other Operating Income	23.58	16.83
TOTAL REVENUE	94,493.38	87,557.39
Personnel Expenditure	3,915.79	3,487.22
Network Expense & IT Outsourcing Cost	25,926.94	22,442.58
License Fees and Spectrum Usage Charges	10,973.55	10,217.41
Roaming & Access Charges	11,825.70	11,554.45
Subscriber Acquisition & Servicing Expenditure & Advertisement and Business Promotion Expenditure	8,654.30	8,228.41
Depreciation & Amortisation	19,112.03	14,034.05
Other Expenditure	2,518.29	2,041.52
TOTAL EXPENDITURE	82,926.60	72,005.64
PROFIT FROM OPERATIONS BEFORE OTHER INCOME, FINANCE CHARGES AND TAX	11,566.78	15,551.75
Other Income	513.81	1,093.99
PROFIT BEFORE FINANCE CHARGES AND TAX	12,080.59	16,645.74
Finance Charges	9,590.64	3,619.65
PROFIT BEFORE TAX	2,489.95	13,026.09
Provision for Taxation (Net of MAT credit)	885.86	4,599.95
NET PROFIT AFTER TAX	1,604.09	8,426.14
Add: Other comprehensive income, net of tax	(33.36)	(31.23)
TOTAL COMPREHENSIVE INCOME	1,570.73	8,394.91
Paid up Equity Share Capital (Face value ₹ 10 per share)	36,008.04	35,987.12
Earnings Per Share for the period (₹)		
- Basic	0.45	2.34
- Diluted	0.44	2.33



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-2016		
		
Segmental Reporting	₹ Mn	
Particulars	Quarter Ended	
	30-Jun-16 Unaudited	30-Jun-15 Unaudited
Segment Revenue		
Net Sales / Income from each segment		
Mobility	93,256.28	86,469.41
International Long Distance	2,109.24	1,889.96
Total	95,365.52	88,359.37
Less: Inter Segment Eliminations	(895.72)	(818.81)
Net Sales / Income from Operations	94,469.80	87,540.56
Segment Results		
Profit from Operations before Other Income, Finance Charges and Tax from each segment		
Mobility	11,421.93	15,441.34
International Long Distance	144.85	110.41
Profit from Operations before Other Income, Finance Charges and Tax	11,566.78	15,551.75
Add: Unallocable Income	513.81	1,093.99
Less: Finance Charges	9,590.64	3,619.65
Profit before Tax	2,489.95	13,026.09
Segment Assets		
Mobility	732,079.70	499,242.54
International Long Distance	941.65	880.37
Unallocated	57,373.77	37,811.34
Gross Assets	790,395.12	537,934.25
Less: Inter Segment Eliminations	(46.04)	(12.76)
Total Assets	790,349.08	537,921.49
Segment Liabilities		
Mobility	517,596.74	285,298.38
International Long Distance	826.48	822.23
Unallocated	22,613.46	20,070.19
Gross Liabilities	541,036.68	306,190.80
Less: Inter Segment Eliminations	(46.04)	(12.76)
Total Liabilities	540,990.64	306,178.04



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 8th August 2016.
2. The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016 with a transition date of 1st April 2015. The financial results have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial results for the quarter ended 30th June 2015 are also Ind AS compliant.
3. The format for unaudited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III to the Companies Act, 2013.
4. Reconciliation of Net Profit for the quarter ended 30th June 2015 as previously reported (referred to as IGAAP) vis-à-vis Ind AS is as below:

Particulars	Amount (₹ Mn)
Net Profit as per IGAAP	8,212.30
Effects of measuring financial instruments at fair value through profit & loss	234.80
Effects of inflation linked escalation on rental income / expense not requiring equalization over the lease term, hence reversed	275.11
Effects of measuring ESOP charge at Fair Value	(81.00)
Others	(62.89)
Deferred Tax impact on the above changes	(152.18)
Net Profit as per Ind AS	8,426.14
Other Comprehensive Income	(31.23)
Total Comprehensive Income as per Ind AS	8,394.91

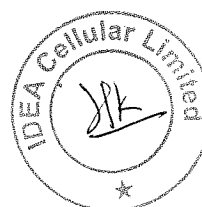
5. On 8th January 2013, Department of Telecommunications (DoT) issued demand notices towards one time spectrum charges:
 - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July 2008 to 31st December 2012, amounting to ₹ 3,691.30 Mn, and
 - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January 2013 till expiry of the period as per respective licenses, amounting to ₹ 17,443.70 Mn.

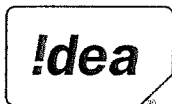
In the opinion of Company, *inter-alia*, the above demands amount to alteration of financial terms of the licenses issued in the past. The Company had therefore, petitioned the Hon'ble High Court of Bombay, where the matter was admitted and is currently sub-judice. The Hon'ble High Court of Bombay has 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.

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

Himanshu Kapahia
Himanshu Kapahia
Managing Director

Date : 8th August 2016
Place : Mumbai





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Media Release

Mumbai –August 08, 2016

Idea Cellular announces un-audited Ind AS results for the First Quarter (Q1) ended June 30, 2016

Highlights Standalone¹ Results -

- Revenue at Rs. 94,866 million, EBITDA Rs. 30,742 million, PAT Rs. 4,971 million

	INR mn		
	Q1FY17	Q1FY16	YoY Change
Revenue - Established Service Areas ³	88,051	82,466	6.8%
Revenue - New Service Areas ⁴	6,815	5,449	25.1%
Total Revenue	94,866	87,915	7.9%
EBITDA - Established Service Areas ³	31,882	31,456	1.4%
EBITDA - New Service Areas ⁴	-1,140	-1,663	31.5%
Total EBITDA	30,742	29,793	3.2%
EBITDA% - Established Service Areas ³	36.2%	38.1%	-1.9%
EBITDA% - New Service Areas ⁴	-16.7%	-30.5%	13.8%
EBITDA%	32.4%	33.9%	-1.5%
Depreciation & Amortisation	19,192	14,117	35.9%
EBIT	11,551	15,676	-26.3%
Interest and Financing Cost (Net)	9,224	3,240	184.7%
Dividend from Indus	3,623		
PBT	5,950	12,437	-52.2%
PAT (Standalone¹)	4,971	7,778	-36.1%
Cash Profit ⁵ (Standalone)	25,209	25,112	0.4%
Share of Profit from Indus & ABIPBL	1,035	927	11.7%
Deferred Tax on Undistributed earnings of Indus	-179	-158	13.9%
Other Comprehensive Income (net of Tax)	-33	-32	4.2%
Total Comprehensive Income (Consolidated²)	2,171	8,516	-74.5%

The financial results for this quarter and Q1FY16 (restated) are based on Ind AS. The Q1FY17 financial performance is not comparable with Q1FY16 as this quarter results include a) Full impact of spectrum acquired by Idea in March 2015 (investment of Rs. 301.4 billion) and Feb 2014 Auction (investment of Rs. 104.2 billion) for renewal of mobile licenses in 9 service areas expired between December 2015 to April 2016 and spectrum acquired for 3G and 4G services in multiple circles b) Additional deferment consequent to the change in terms regarding carry forward conditions of unused data entitlement in data packs has negatively impacted the quarter's revenue by Rs. 1,276 million, EBITDA by Rs. 1,101 million and EBITDA margin by 0.7%.

The slow growth trends of mobile sector continues - FY16 reported industry revenue growth of 5.4% vs. FY15 (TRAI Q4FY16 release) against earlier financial year trends of near double digit growth. Similarly, this quarter industry revenue growth estimate indicates only 4-5% annual growth. Idea revenue growth in Q1FY17 also slowed down @ 7.9% (9.4% post normalization for Data Revenue).



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Since January 2016, Idea clamped down on promotional offers for its new and existing customers resulting in 'Voice realised rate' improvement this quarter by 3.1% from 33.3 paisa in Q4FY16 to 34.3 paisa in Q1FY17, on back of 4.4% sequential quarterly rate improvement in Q4 over Q3FY16. However, full benefit of Voice rate realization improvement did not reflect in revenue growth between Q1FY17 & Q4FY16 as a) New subscriber addition (on VLR) was negative by 0.7 million reaching EoP of 183.2 million customers and b) Total 'Voice minute of use' declined by 1.1% from 201.6 billion in Q4FY16 to 199.3 billion in Q1FY17.

In contrast for mobile data business which is presently in high investment & low capacity utilization phase, Idea pursued a volume growth led strategy resulting in, on sequential quarterly basis, a) Highest ever 5 million mobile data user addition helping the EoP data subscriber base to reach 49 million, b) Strong quarterly mobile data volume growth @ 13.2% to 93.1 billion MB in Q1FY17 (vs. Q4FY16 – 82.2 billion MB) but c) the overall Data realized rate (ARMB) fell by 8.1% from 22.9 paisa to 21.1 paisa per MB in Q1FY17, resulting in sequential mobile data revenue growth limited to 4.1% only.

Competitively, Idea continues to improve its Revenue Market Share (RMS), expanding it to 19.3% (Q4FY16), an increase of 1.1% compared to Q4FY15 and subscriber market share (on VLR) to 19.6% (May 2016), an improvement of 0.7% over last 1 year.

The company continued its aggressive mobile broadband expansion program. Idea remains committed to drive digital transformation in India while metamorphosing itself from a 'pure voice' network to a balanced 'mobile voice and mobile broadband' operator, extending the life of voice business in under penetrated markets and serving the emerging new needs of digital consumers. Idea sustained its 4G network expansion momentum, added 5,296 4G sites during the quarter, reaching to 19,939 4G sites, now covering over 150 million Indian population spread across nearly 2,000 towns and 5,000 villages of 10 service areas. Additionally, with own spectrum, the company offers 3G services to 350 million Indians across 4,000 towns and 57,000 villages in 13 service areas, a clear testimony of Idea's ability to build and compete in short span of time.

As on 30th June, 2016 over 1.8 million customers are actively using Idea 4G services. Idea mobile broadband services (3G+4G) adoption is steadily improving as a) 61.4 million i.e. 34.8% of Idea's EoP base (176.2 million subscribers) have upgraded to latest 3G &/or 4G compatible smartphone (14.2 million 4G phone), nearly 20 million 3G/4G device addition over last one year, b) 27 million Idea customer base (44% of smartphone owners) are using the company's 3G or 4G data services with 10.3 million addition in last one year and c) the mobile broadband data volume (3G+4G) has grown exponentially by 85.5% from 36 billion MB in Q1FY16 to 66.9 billion MB in Q1FY17.

The overall mobile data users (2G+3G+4G) penetration is now at 27.8% of EoP subscribers reaching 49 million data subscribers with blended mobile data ARPU of Rs. 142 in Q1FY17 (vs. Rs 147 in Q1FY16) & data usage per subscriber at 674 MB (vs. 599 MB in Q1FY16). The mobile data revenue contribution is now 20.6% of 'Service Revenue' while overall 'Non Voice Revenue' (including data) contribution has increased to 28.2% (vs. 26.1% in Q1FY16)

Idea capex spend of Rs. 10.8 billion in Q1FY17 is in line with our capex guidance of Rs 65-70 billion for FY17, fully funded from cash profit of Rs 25,209 million. The company's network now spreads to nearly 2,00,000 sites (1,27,835 2G sites, 51,231 3G sites, 19,939 4G sites) and 120,700 Kms of fibre, covers nearly 1 billion Indians for GSM services over 3,94,000 towns and villages & wireless broadband services reach to 400 million Indians across 17 circles covering over 63,000 towns & villages.



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The higher Network and IT operating expenses due to expansion and multiple inflationary pressures, resulted in overall operating cost increase, thereby Q1FY17 EBITDA grew @3.2% (6.9% post data revenue normalization) and stands at Rs. 30,742 million, with EBITDA margin @32.4% (normalised EBITDA margin @33.1%) against Q1FY16 EBITDA margin of 33.9%.

The increase in 'Depreciation and Amortization charge' to Rs. 19,192 million & 'Interest and Finance cost (net)' to Rs. 9,224 million, during Q1FY17 reflects additional charges on account of a) renewal of 9 existing expired license & linked spectrum & acquisition of new spectrum b) Launch of 4G services in 10 circles, c) Introduction of 3G 2nd carrier on 900 MHz in Maharashtra & MP, d) Launch of 3G services in Kolkata metro during FY16. Therefore, inspite EBITDA growth, Idea standalone 'Profit after tax' (PAT) for Q1FY17 stands at Rs. 1,348 million (excl. Indus dividend of Rs. 3,623 million) against Rs. 7,778 million in Q1FY16. The net debt as on 30th June, 2016 stands at Rs 376.6 billion, including all 'Deferred Payment Obligation' for spectrum.

The 'Net Debt' to 'Annualized Q1FY17 EBITDA' stands at 3.06. With adoption of Ind AS, the financial reporting of Indus (Associate) and ABIPBL (Joint Venture) will now be consolidated at PAT level only. Accordingly, the Consolidated Total Comprehensive Income (including 16% share from Indus & 49% from ABIPBL) stands at Rs. 2,171 million against Rs. 8,516 million in Q1FY16.

The company stands for reach, relevance and resilience and will always remain nimble & adaptive to evolving market conditions. Idea, the fastest growing Indian Telco for last 8 years on the power of volume led growth strategy, strong brand affinity, accelerated pan India infrastructure spread and proven execution track record, remains confident to tap all emerging opportunities in mobile voice and broadband business.

Notes:

1. Idea Standalone represents Idea, and its 100% subsidiaries. Effectively, this encompasses all operations, excluding Indus Towers (Indus) and Aditya Birla Idea Payments Bank Limited (ABIPBL).
2. Idea Consolidated represents Idea Standalone and proportionate consolidation of Indus (@16%) and Payments Bank (@49%) at PAT level.
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 19.3% (Q4FY16). 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.