

## **Spice Communications registers robust performance**

*Strong topline growth on the base of Passive Infrastructure Sale  
Significant enhancement in fundamentals – consistent QoQ growth*

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### **Key Financial Highlights for CY 2007 (Audited Annual Results)**

- Spice Communications network worth **jumps to Rs. 857.13 Crores.**
- **Annual Revenue** for CY Jan-Dec 07 is Rs. **147,388.40 Lakhs** as against a Gross Income of Rs. 83,235.26 Lakhs for the period of Jan-DecCY06 – **YoY growth of 77%**
- Gross Quarterly **Revenue** for the period Oct-Dec CY07 is Rs. 72534.35 Lakhs vs. Rs. 21,334.92 in Oct-DecCY06 – **QoQ growth of 240%**
- **Annual Profit After Tax (PAT)** for CY 07 is Rs. **38013.12 Lakhs** vs. a Net Loss of Rs. 2452.02 Lakhs for CY06 – growing exponentially
- Quarterly Profit After Tax (PAT) for Oct-Dec CY 07 stands at Rs. 39,991.65 Lakhs vs. Net Loss of Rs. 1388.70 Lakhs for the corresponding quarter in CY06
- EPS improved greatly to **6.15** from a negative 0.44 CY06

### **Key Business Highlights**

- **Spice Communications secured licenses for four high potential circles of Delhi, Maharashtra, Haryana and Andhra Pradesh**
- **TDSAT ruling on disbursal of LOIs/Licenses and Spectrum Allocation priority puts Spice at number One in the queue amongst all players in 12 circles**
- **Telekom Malaysia (TM) professes strong continued support and backing to Spice Communications – will strengthen relationship and enhance cooperation**
- *Spice Communications continued with a string of innovative customer offerings including a very successful India-first sub-1000 Handset bundling with Spice Mobiles*
- *Market share in Punjab at 22% with a total subscriber base going up substantially to 2.33 Million from 1.75 million in 2006 | Market share in Karnataka has increased from*

7% to 10.% in 2007 with total subscribers 1.48 Million (up from 0.7 million) – Total subscriber base of Spice Communications is 3.81 Million.

- *Spice Communications has begun carrying its own NLD/ILD traffic from Punjab and Karnataka into Delhi*

**Spice Communications Limited**, one of the leading GSM Mobile telephony companies in India, announced a phenomenal exponential growth in its Revenue and Profits for the Quarter and Financial Year ending 31<sup>st</sup> December 2007. The gross quarterly revenue for the period of October-December CY2007 has witnessed an **astounding growth of 240%** (after income from Extraordinary Items) with PAT margins enhanced **by over 16 times** over the same quarter last year, *and* PAT has grown 30 times over the same quarter last year. Most importantly, Spice Communication's current networth stands at **Rs. 857.13 Crores**.

Spice Communications has applied for a pan India license for 20 circles and is now at Number 1 position in the queue for licenses and spectrum in 12 circles, number two in 4 circles all of which are premium and high growth markets.

In another development, Telekom Malaysia (TM) and Spice Communications have agreed to strengthen their relationship and cooperation. TM has professed full backing and support in the matter of establishment of Net worth. Spice Corp and TM, the largest shareholders have committed full support to Spice Communications in this matter.

Amongst the other important developments at Spice Communications, a new Advertising Agency on Record was appointed to enhance the brand and marketing communication efforts Contract Advertising (which services several leading global brands). This is part of a new marketing effort which included the appointment of Katrina Kaif as the new brand ambassador for Spice Communications and Spice Corp. companies.

Spice Communications introduced several new marketing measures during the course of the financial year, including the commencement of innovative products and services such as the 999 Handset Bundling Offer, E-Berry (push mail services), Smart Dial (Call Back Service) etc.

The company improved its network coverage significantly adding nearly 700 towns to its existing network-base across both circles.



**Commenting on the results Mr. Dilip Modi, Managing Director of Spice Communications Ltd. said:**

*“Spice Communications has witnessed phenomenal sales growth and a very strong profitability position growing from strength to strength. Spice Communications has been recognized for its unique market offerings and product innovations and we are well poised to take the next big leap in terms of achieving new ground on product innovation and customer service excellence. This will have a strong influence on our future productivity and financial performance.*

*The company will continue to scale up performance, revenue base, profitability while increasing market share through aggressive marketing and distribution coverage. With the expansion plans of 4 new circles on the anvil, we are poised to become a major player in the new mobile telephony scenario.”*

**About Spice Communications Limited**

Spice Communications Ltd. is a listed on the Bombay Stock Exchange (BSE Scrip Code – 532863) and operates in the circles of Punjab and Karnataka under the brand name “Spice Telecom”, and has a subscriber base of nearly 4 million. Spice Telecom is the 2nd largest operator in Punjab, and is among the fastest growing players in Karnataka.

**For further info-**

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