

Spice Communications Limited

(formerly known as Spice Communications Private Limited till 27 December 2006)

Regd Office 60-D, Sainik Farms, New Delhi-110062

Corporate Office: Spice Towers, No 75, Richmond Road, Civil Station, Bangalore - 560 025

Unaudited Financial Results for the quarter and six months ended 30 June 2007

(All figures in Rs. Millions except as stated otherwise)

Particulars	Unaudited			Audited
	Quarter Ended		Six Months Ended	Financial year (six months) ended
	30.06.2007	30.06.2006	30.06.2007	31.12.2006
Sale/Service Income	2,317.47	1,763.98	4,454.53	3,851.11
Other Income	230.68	104.05	303.73	105.88
Total Income	2,548.15	1,868.03	4,758.26	3,956.99
Network Operating cost	725.32	578.57	1,398.46	1,236.33
Administrative costs	193.62	171.44	372.55	421.27
Personnel Costs	119.59	113.62	259.94	227.93
Sales and Marketing costs	367.19	325.36	629.57	565.62
Cost of Goods Sold	18.07	-	52.18	32.04
License fees and WPC Charges	207.98	153.95	396.33	340.03
Expenditure before lease charges, finance cost, depreciation, amortization and tax	1,631.77	1,342.94	3,109.03	2,823.22
Profit before lease charges, finance cost, depreciation, amortization and tax	916.38	525.09	1,649.23	1,133.77
Lease Charges-Passive Infrastructure	202.83	20.93	385.58	181.89
Profit before finance cost, depreciation, amortization and tax	713.55	504.16	1,263.65	951.88
Finance Cost	324.12	300.14	652.46	638.05
Depreciation	282.29	210.04	547.58	495.09
Amortisation	100.55	99.82	199.98	200.69
Profit(+)/Loss(-)Before Tax	6.59	(105.84)	(136.37)	(381.95)
Provision for Taxation	-	-	-	-
Fringe Benefit Tax	2.43	2.86	6.15	4.92
Prior period Expense/(Income)	-	6.82	-	-
Net Profit(+)/Loss(-)after tax	4.16	(115.52)	(142.52)	(386.87)
Paid-up Equity Share Capital (Face value Rs. 10 per share)	5,768.14	5,519.40	5,768.14	5,519.40
Reserves : (excluding Revaluation Reserves)				
<i>-Debit balance in profit and loss account</i>	-	-	-	(7,043.21)
Basic EPS (in Rs.) (not to be annualised)	0.01	(0.21)	(0.26)	(0.70)
Diluted EPS (in Rs.) (not to be annualised)	0.01	(0.21)	(0.26)	(0.70)
Non-promoter Shareholding (Nos.)	295,324,519	270,450,600	295,324,519	270,450,630
Non-promoter Shareholding (%)	51.20%	49%	51.20%	49%

Notes:

1. The company has successfully completed its initial public offering (IPO), and listed its equity shares on Bombay Stock Exchange (BSE) on 19 July 2007.
2. (a) On 5 June 2007, Special Committee of the Board of Directors allotted 24,873,889 equity shares of Rs. 10 each at a price of Rs. 45 per equity share to certain pre-IPO investors.

(b) On completion of IPO, the company has allotted 113,111,111 Equity Shares of Rs. 10 each at a price of Rs. 46 per share on 10 July 2007. Out of the proceeds of this IPO Rs. 3,000 million will be utilised towards repayment of outstanding term loans.

(c) The weighted average number of equity shares outstanding during the period has been considered for calculating the Earning Per Share in terms of the Accounting Standard-20. Consequently, the diluted earning per share has been computed without considering the proposed offering of 113,111,111 equity shares which has, as mentioned in note 3(b) above, been allotted subsequent to period end.
3. The above results were reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 27 July 2007. The results for the quarter and six months ended 30 June 2007 have been reviewed by the statutory auditors under generally accepted auditing standards in India. Since the Company was listed only on 19 July 2007, the prior period comparatives has been presented only for the quarter ended 30 June 2006. This prior period comparative presented are not audited/reviewed by the auditors.
4. The company is in the business of providing cellular mobile telephone services in the states of Punjab and Karnataka.
5. Other income for quarter ended 30 June 2007 includes foreign exchange gain for Rs. 171 million (for six months ended 30 June 2007- Rs. 213 million). Out of the above, foreign exchange gain of Rs. 114 million for quarter ended 30 June 2007 (Rs. 132.14 million for six months ended 30 June 2007) is on account of foreign exchange gain on outstanding liabilities relating to fixed assets acquired from a country outside India in accordance with requirements of Companies (Accounting Standards) Rule, 2006 read in consonance with Accounting Standard (revised)-11.
6. The Company had not provided revenue share license fees and spectrum charges on certain items by not considering them in Gross Adjusted Revenue (AGR), as the matter in respect of such items is under review by relevant authority. The ultimate outcome of the matter is currently indeterminable and consequently no provision for liability, if any, has been accounted for in this respect.
7. As the Company was not listed as at 30 June 2007, the Company did not have any shareholders complaints.
8. The previous financial year audited figures have been regrouped / re-arranged wherever necessary to make them comparable.

Place: Noida
Date: 27 July 2007

On behalf of the Board of Directors
Sd/-
Dilip Modi
Chairman & Managing Director