

## SQUEEZE ON MARGINS

As tariff wars intensify and discounting increases in mobile phone services, growth in margins lag revenue expansion.

Airtel	RCom	Idea*
Sales (in Rs crore)		
FY08 27,025	19,067.8	6,719.8
FY09 37,332.75	22,911.68	10,156.12
Net Profit (in Rs crore)		
FY08 6,700.80	5,401.3	1,040.4
FY09 8,508.78	6,202.7	854.23
Growth		
Sales 38.14%	20.15%	50.7%
Net profit 26.98%	12.58%	-18.05%

Note: \* Idea Cellular bought Spice Telecom in June last year and this reflects partly in the FY09 estimates.

Source: Average of estimates by Motilal Oswal, KR Choksey Shares, Prabhudas Lilladher, Angel Broking, JPMorgan and Citigroup Global.