



PRESS RELEASE

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Report on ARPU / Revenue Analysis for Private GSM Operators for the 2nd quarter of the Financial Year 2006-07

- ❑ The **private GSM Mobile Operators** have recorded a **rise of 12.6% in the revenues in the second quarter of the current financial year** (July to Sept.06). The Adjusted Gross Revenue has increased from Rs 5,621 crores for quarter ending June 06 to Rs 6,330 crores for the quarter ending Sept. 06.
- ❑ On a **year on year basis**, the second quarter of the current financial year (July to Sept. 06) has **witnessed a 58% rise in revenues as compared to the second quarter of the previous financial year** (July to Sept.05). The revenues of private GSM mobile operators have risen from Rs 4,010 crores for July to September 05 quarter to Rs 6,330 crores for July to September 06 quarter.
- ❑ However, despite a rise in the Adjusted Gross Revenue, the **private GSM industry** has witnessed a fall in ARPU since the quarter ended September 05. The average industry ARPU has fallen from **Rs 375 per subscriber per month for Sept. 05** quarter to **Rs 335 per subscriber per month for the Sept. 2006** quarter; a **fall in ARPU of Rs 40 per subscriber since Sept. 05 – i.e. a decline of 11% in one year.**
- ❑ Thus, although the revenues have risen consistently over the previous four quarters (since Sept. 05), the private GSM Service providers have witnessed a continuous decline in ARPU. **Mr. T. V. Ramachandran, Director General, COAI, pointed out that in spite of the fact that ARPU in India is the lowest globally, the industry is still witnessing a continuous decline in ARPU. Because of the ever improving affordability GSM has emerged as the prime engine of growth in teledensity.**

| | Sept. 05 Qtr. | Dec 05 Qtr. | March 06 Qtr. | June 06 Qtr. | Sept. 06 Qtr. |
|---------------------------------|------------------|----------------|------------------|-----------------|------------------|
| Revenue (Rs. Crores) | 4010 | 4460 | 4942 | 5621 | 6330 |
| ARPU (Rs.) | 375 | 370 | 356 | 347 | 335 |

