



# Idea Cellular Limited

## Investor Presentation

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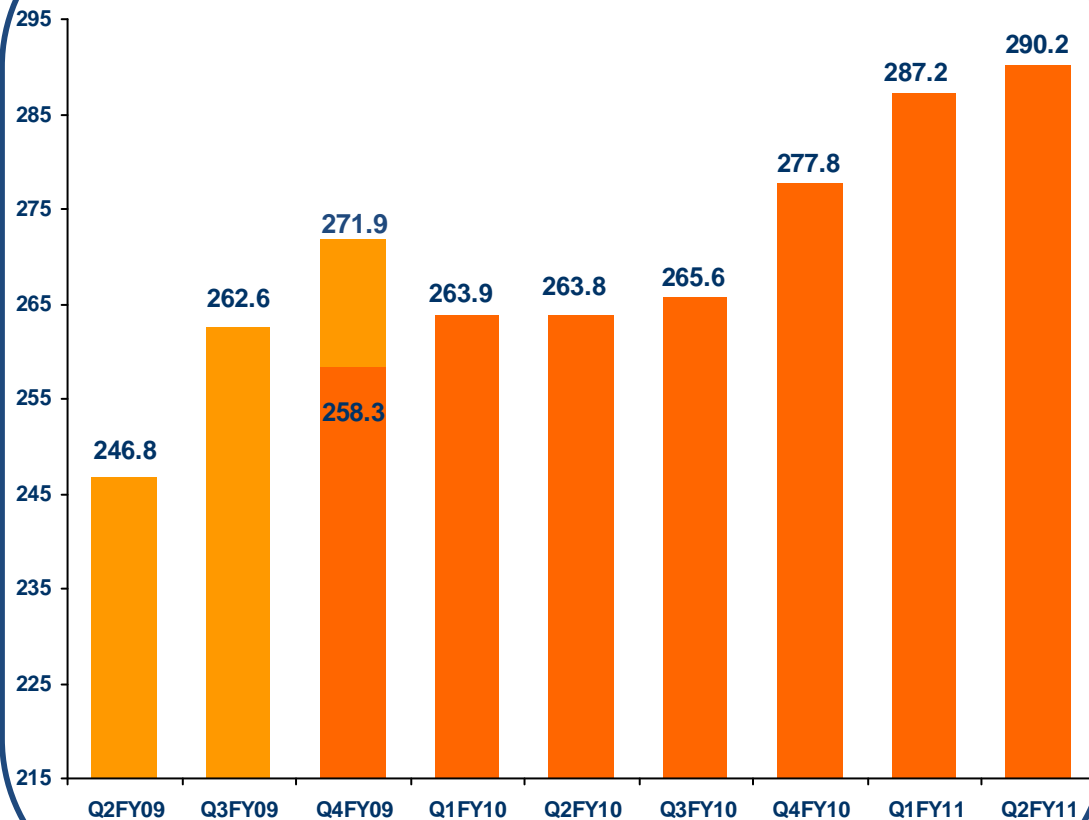
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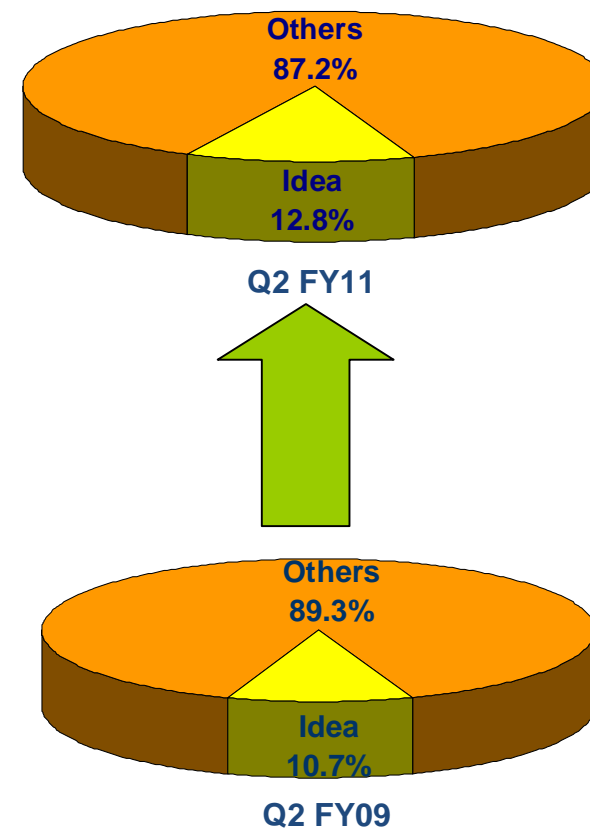
# Indian Wireless Sector – Revenue Trend



Sector Gross Revenue# (INR bn)

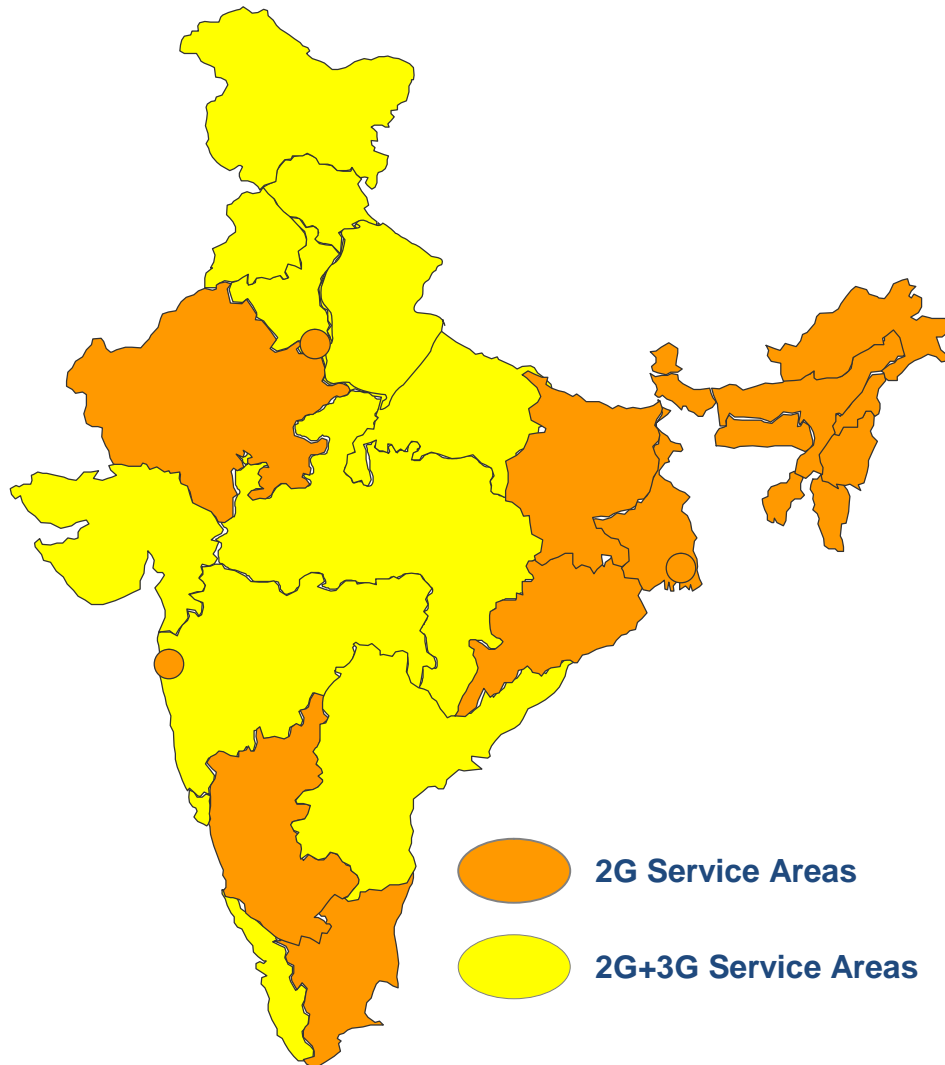


Idea - Increase in Revenue Market Share#



# Source: Data released by the TRAI; revenue for UAS and Mobile licenses only

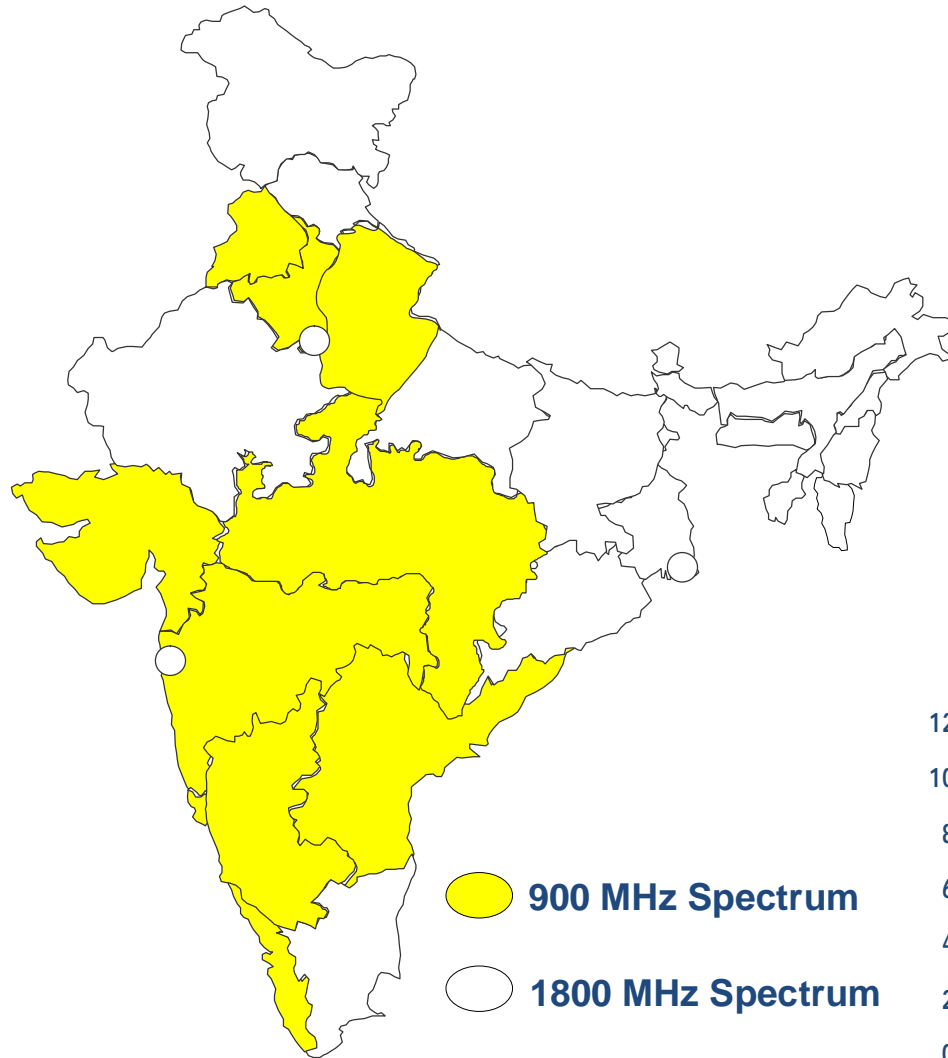
# Idea – An Overview



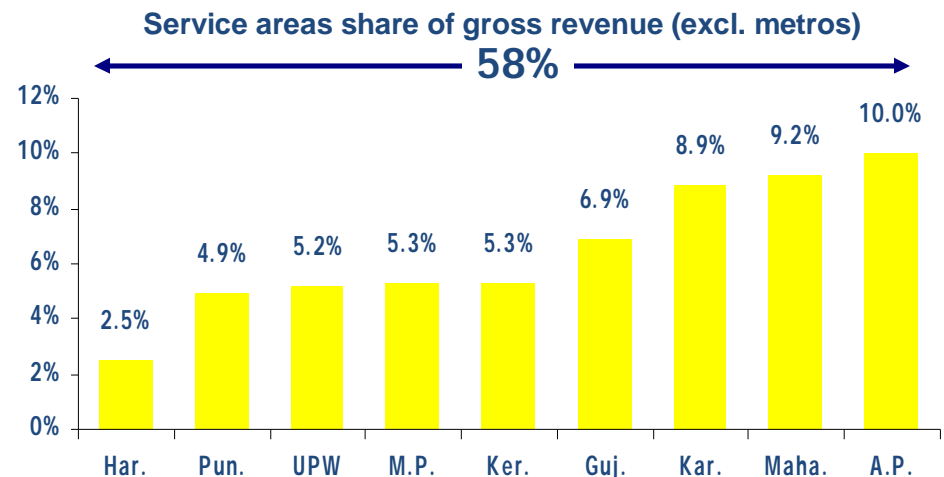
- A pan India 2G service provider, with all 22 licenses under a single legal entity
- Third largest operator in India, based on Revenue Market Share (RMS)\*
- > 347bn minutes of use on network (Annualised based on YTD Q3FY11)
- Winner of 3G spectrum in 11 service areas

# Source: Data released by the TRAI; revenue for UAS and Mobile licenses only

# Competitiveness Lever 1 - Spectrum



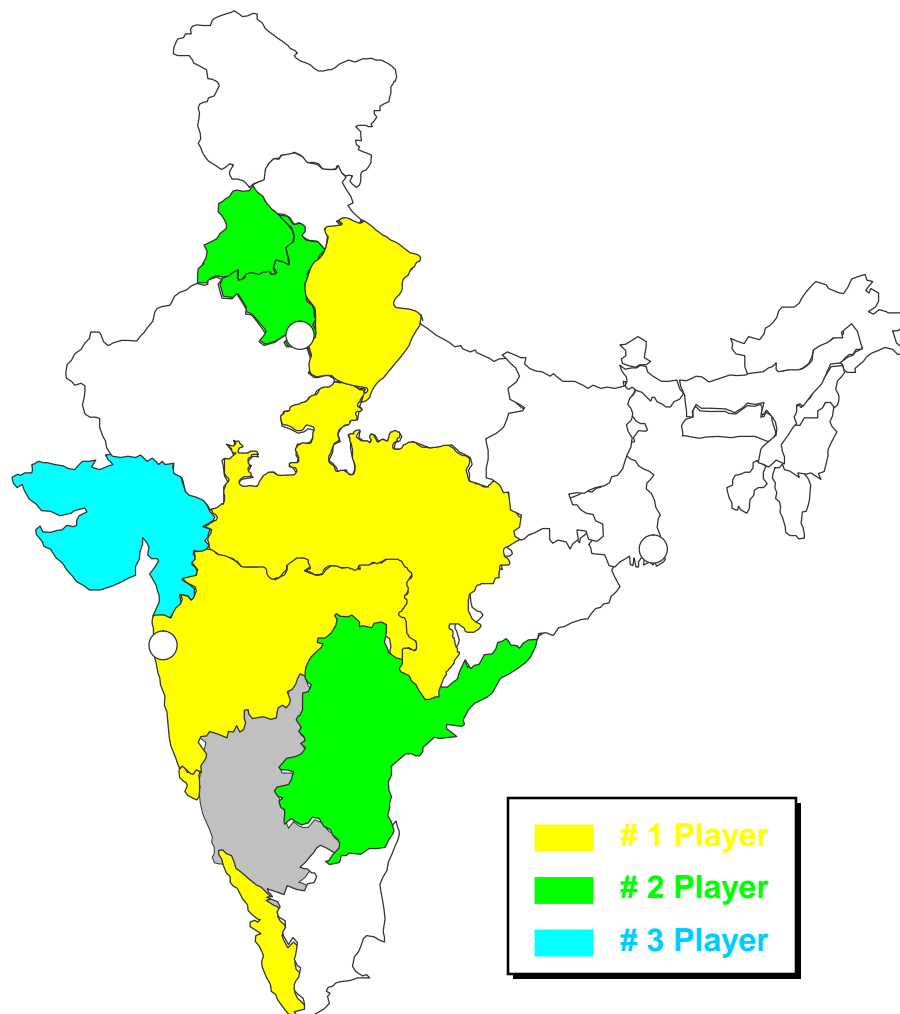
- 900 MHz spectrum band provides capex/opex advantage, compared to 1800 MHz
- 900 MHz spectrum also accompanied by early mover advantage
- Idea holds 900 MHz spectrum in 9 service areas, covering
  - ~ 48% of national revenue and ~77% of Idea's revenue
  - ~ 58% of national revenue base (excl. metros\*)
- Idea's spectrum profile is very attractive across all private operators



# Source: Data released by the TRAI for H1FY11 quarter; revenue for UAS and Mobile licenses only

\* Metros as Mumbai, Delhi and Kolkata

# Competitiveness Lever 2 - Scale within Service Area



Service Area (900 MHz)	Revenue Mkt Share <sup>1</sup> (RMS)	Rank <sup>2</sup>
M.P.	30.2%	1
Kerala	29.6%	1
Maharashtra	29.2%	1
UP (W)	27.4%	1
Haryana	19.8%	2
Punjab	18.9%	2
A.P	16.3%	2
Gujarat	17.4%	3
Karnataka	6.9%	5
<b>Total</b>	<b>20.9%</b>	<b>2</b>

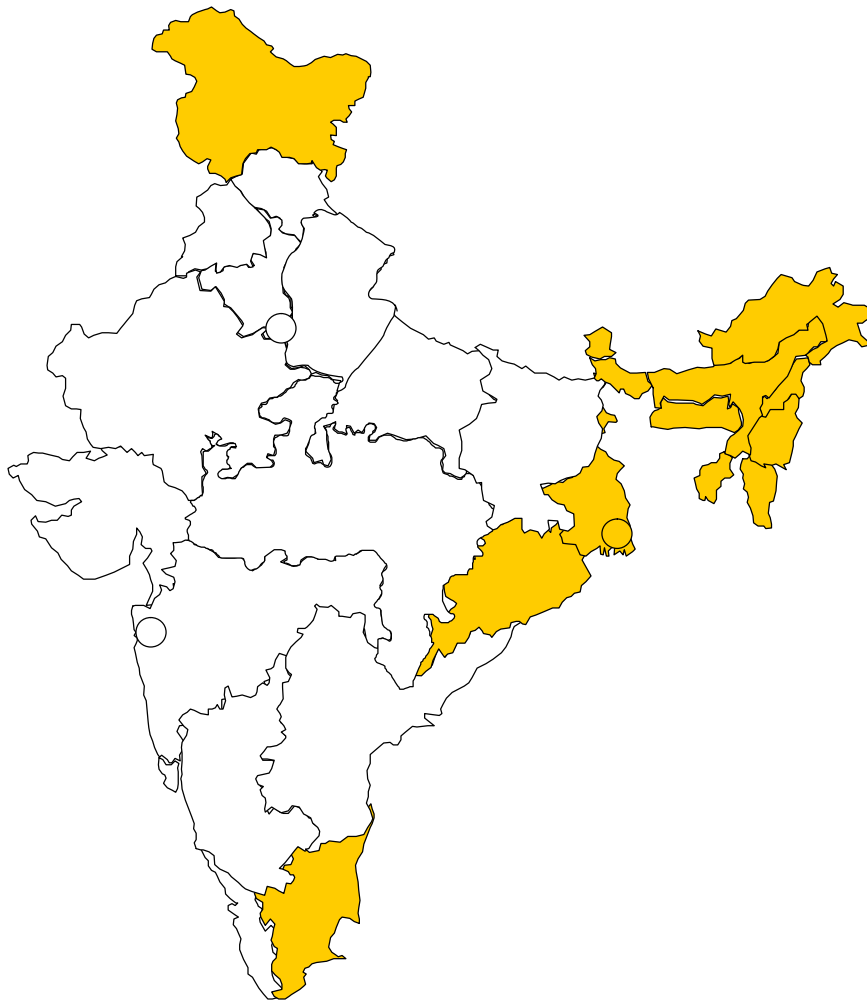
<sup>1</sup>Based on gross revenue for H1FY11, as released by TRAI

<sup>2</sup>Based on revenue market share

*In 9 service areas, comprising ~ 48% of national revenue market, Idea's competitiveness is intrinsically strong based on a) 900 MHz spectrum and b) scale of operations*

# 1800 MHz New Operations (7 Service Areas)

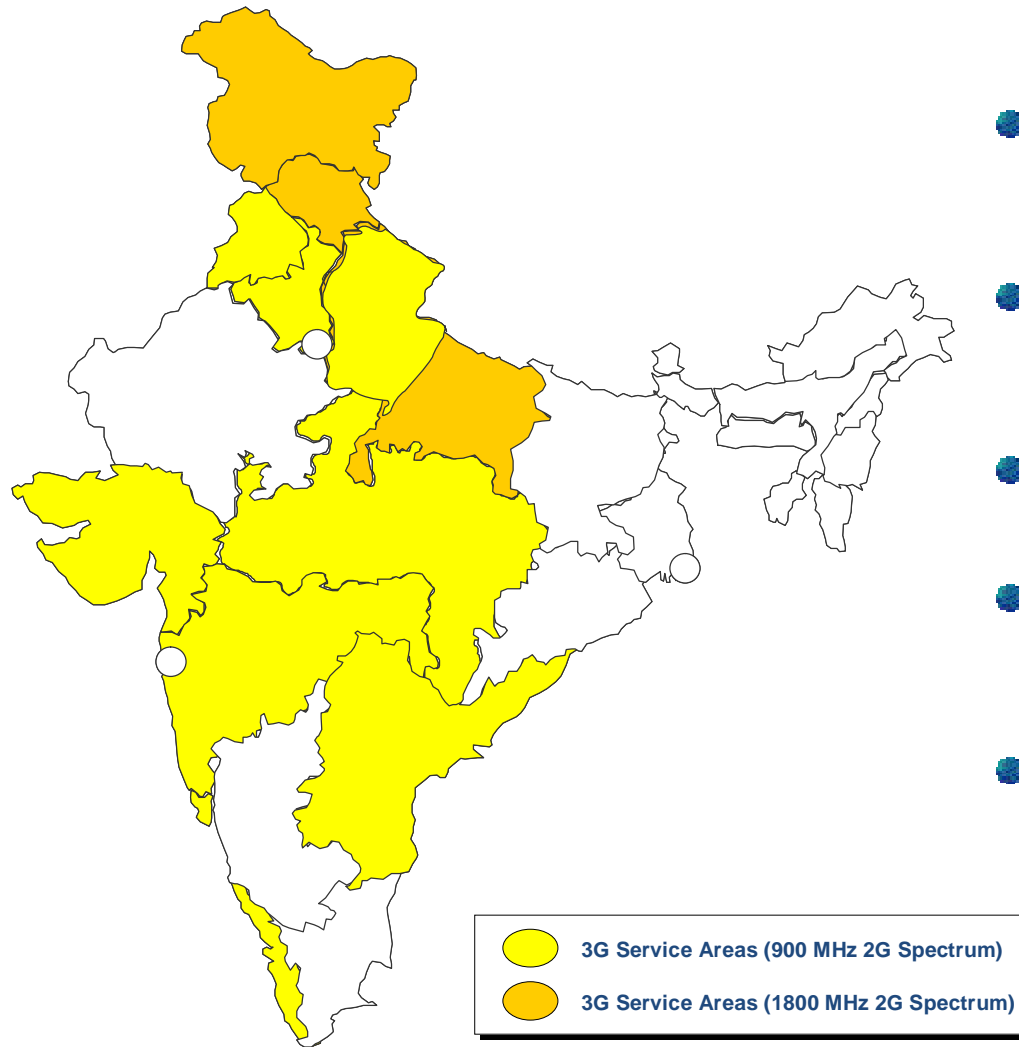
Focus On Optimisation, Not Maximisation



- Providing pan India footprint
- Leverage synergies of pan India operations i.e. roaming, NLD, ad spend, common network elements, etc.
- Infra sharing to reduce capex, and quicker time to market
- Focus on operational and financial goals, not league tables

# 3G Auction

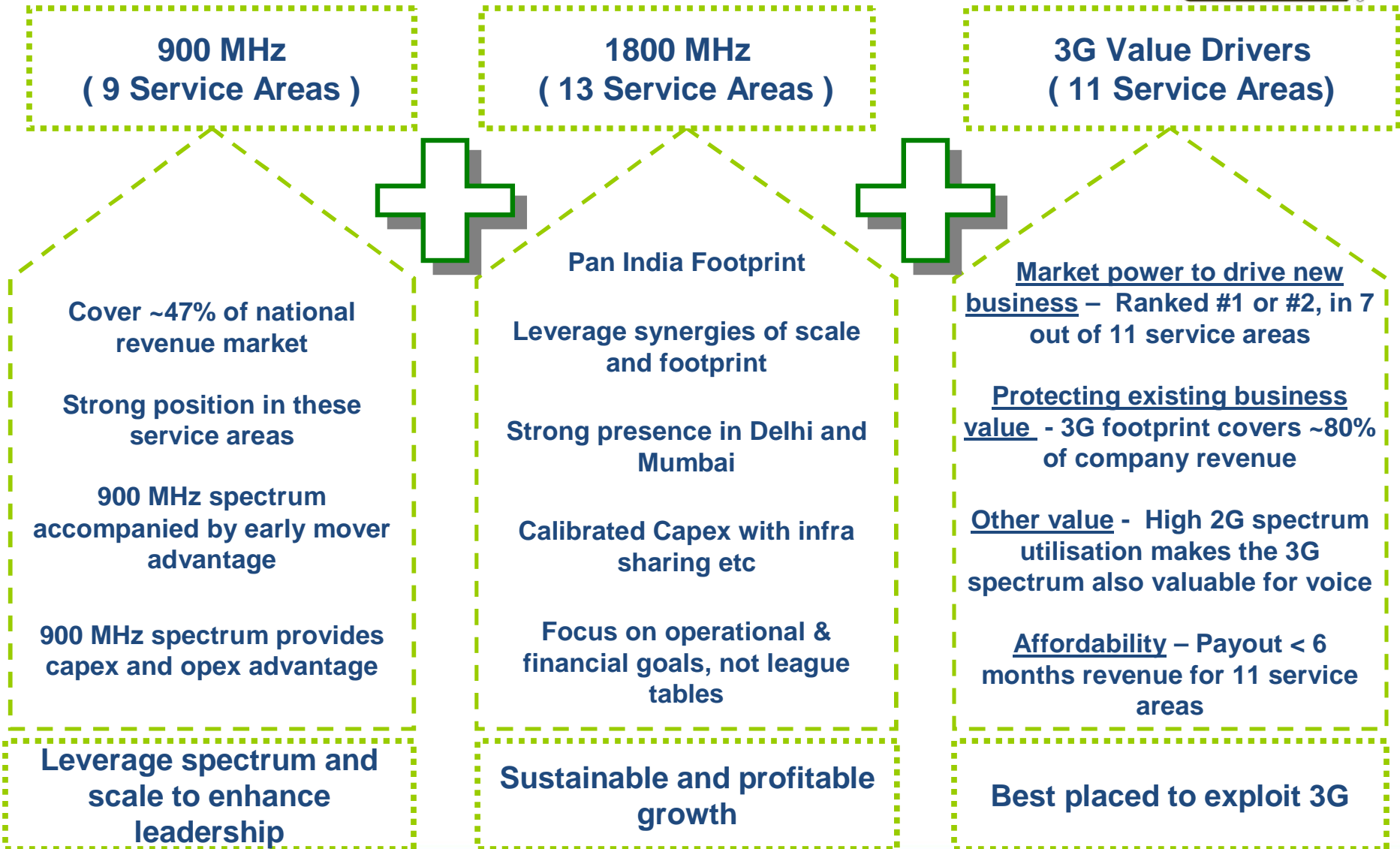
## Winner Where It Counts



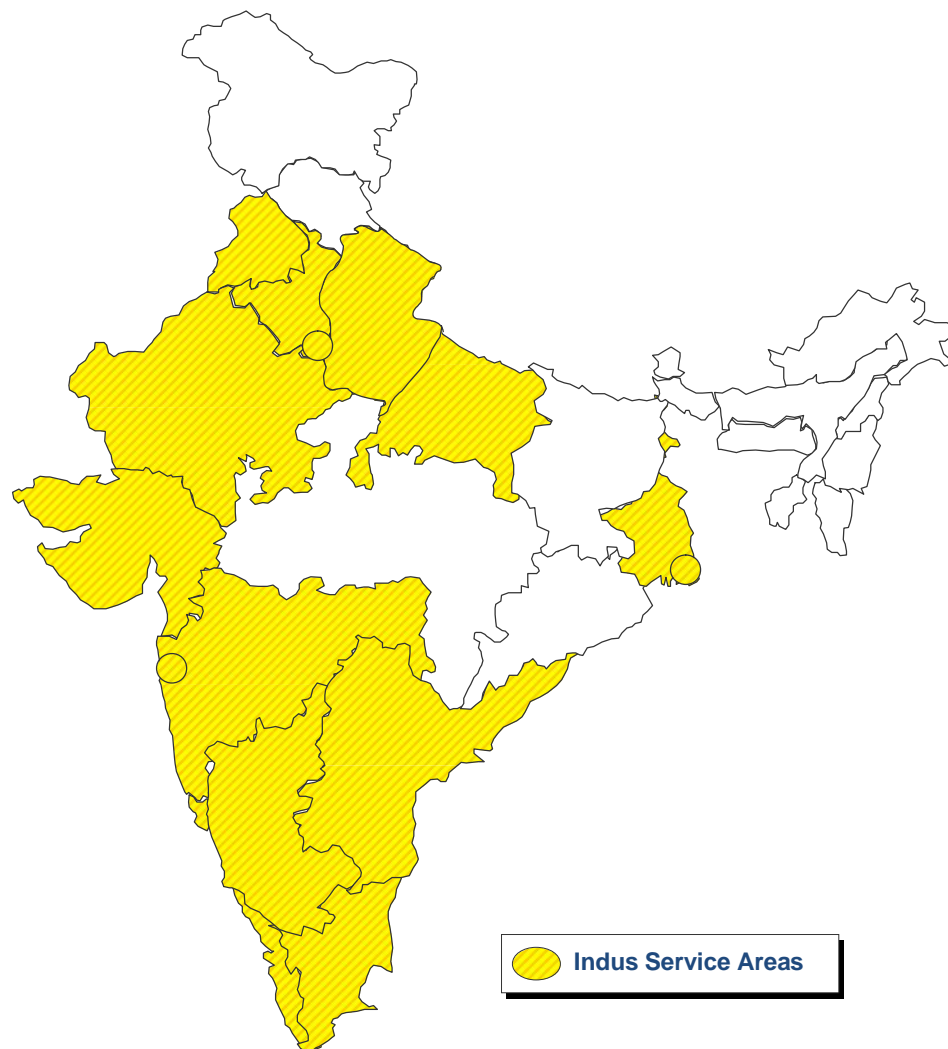
- Winner in 11 service areas, covering ~50% of all India revenue
- All 8 Service Areas where Idea is #1/2/3 are covered
- Covers ~80% of Idea's revenue
- Total payment Rs 57.69bn, lowest among major operators
- Intra-Circle roaming arrangements may provide further opportunity



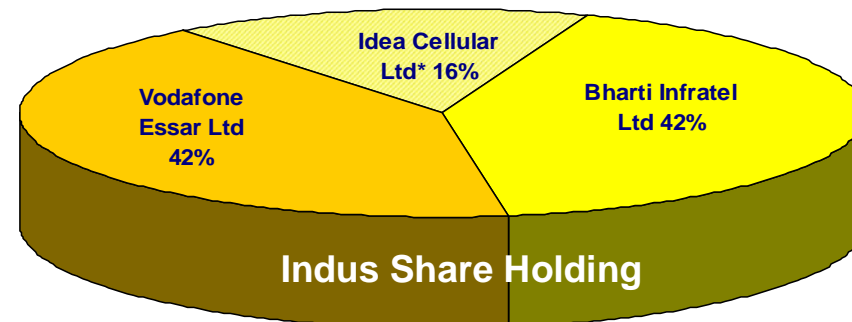
# Idea – Long Term Shareholder Value



# The Indus Advantage



- Provides passive infrastructure services in 15 service areas
- Largest independent tower company in the world with around 108,000 towers
- Indus benefits from assured tenancy from promoters (combined revenue market share of ~66%\*), apart from other operators
- Idea benefits by reduced capex, speed to market, and embedded value of shareholding



\* Data released by the TRAI; revenue for UAS and Mobile licenses only

\*through Aditya Birla Telecom Ltd.

# Idea – A Power Brand



9911031133 **!idea**

Na Kashmiri. Na Madrasī.  
Na Bengali. Na Marathi.

**What an Idea!**  
An idea can change your life.

**!idea**

One school.  
Unlimited admissions.

**What an Idea!**  
An idea can change your life.

**!idea**

“for the people  
by the people”

**What an idea!**  
An idea can change your life.

**!idea**

Walk,  
when you talk.

**What an Idea!**  
An idea can change your life.

**!idea**

Chup  
reh kar bhi  
hum kitni  
baatein  
karte hain.

**What an Idea!**  
An idea can change your life.

**!idea**

USE MOBILE.  
SAVE PAPER.

**What an Idea!**  
An idea can change your life.

**!idea**

Break  
the language  
barrier.

**What an idea!**  
An idea can change your life.

**!idea**

Get Idea!  
Get better network.  
Call 1800 270 0000  
(Toll free).

**!idea**

An idea can change your life.

**!idea**

Get Idea!  
Get better tariffs.  
Call 1800 270 0000  
(Toll free).

**!idea**

An idea can change your life.

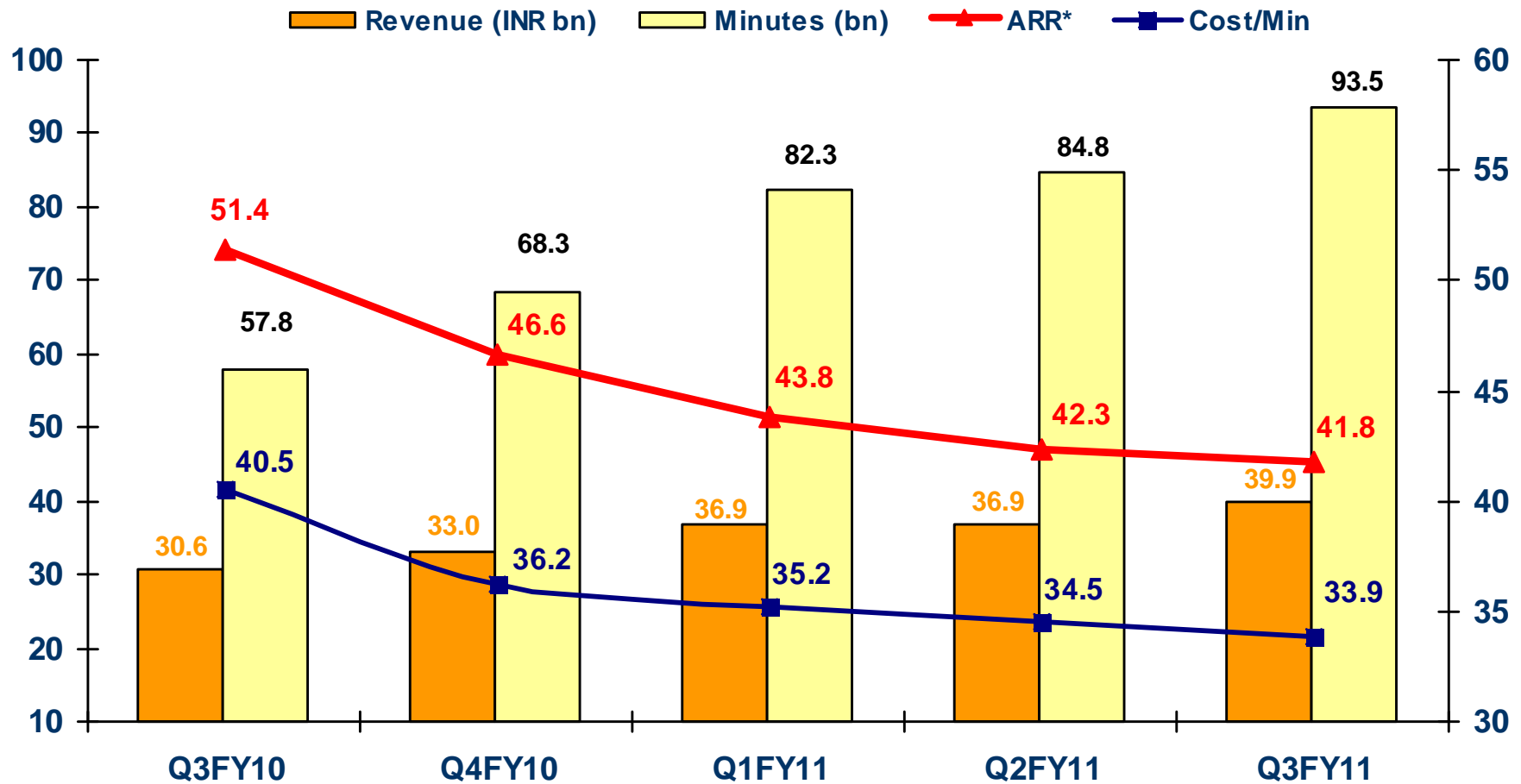
**!idea**

Get Idea!  
Get better  
customer care.  
Call 1800 270 0000  
(Toll free).

**!idea**

An idea can change your life.

# World Class Operations and Cost Management



- In an over-crowded sector, Idea is among the very few companies which have the capability to maintain and grow quality operations at a realised rate of 41.8p, and still turn in reasonable profits
- Arguably, Idea among the most competitive operators in the world

*\*ARR is based on service revenue (exclusive of infrastructure revenues)*

# Strong Balance Sheet to Support Strategic Intent

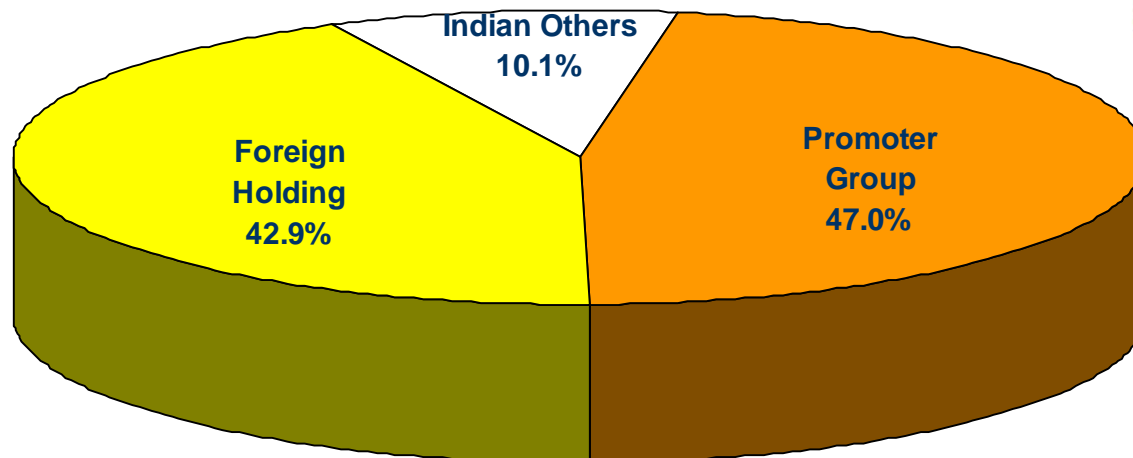


INR bn	Q1 FY09	Q1 FY10	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11
<b>Balance Sheet<sup>1</sup></b>						
Gross debt	97.4	60.9	65.3	97.8	97.5	97.6
Cash & Cash equivalent	9.2	26.6	14.0	1.2	5.0	4.6
<b>Net Debt</b>	88.3	34.3	51.3	96.6	92.5	93.0
<b>Net Worth</b>	38.1	136.5	114.1	116.1	117.8	120.1
<b>Cash Profit<sup>1</sup></b>	5.7	7.3	7.7	7.2	7.0	7.7
<b>Financial Ratios<sup>1</sup></b>						
Net Debt to Net Worth	2.32	0.25	0.45	0.83	0.79	0.77
Net Debt to Annualised EBITDA	3.06	1.11	1.54	3.04	3.04	2.83
ROCE	14.7%	9.3%	8.7%	6.4%	4.7%	5.6%

<sup>1</sup>Figures for Idea including its 100% subsidiaries and excluding Joint Venture Spice (till February 28,2010) and Indus.

# Shareholding

As on 31<sup>st</sup> Dec'10



## PROMOTERS' HOLDING

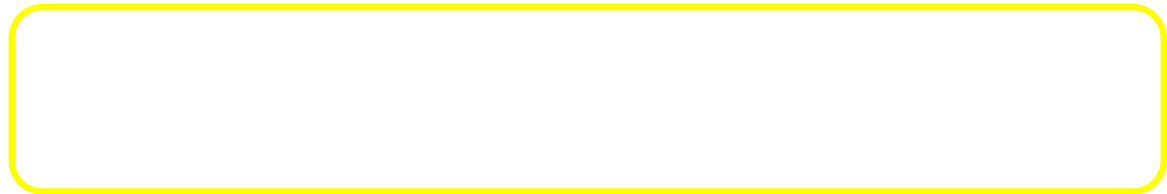
ADITYA BIRLA NUVO LIMITED	25.4%
BIRLA TMT HOLDINGS PVT LTD	8.6%
HINDALCO INDUSTRIES LIMITED	6.9%
GRASIM INDUSTRIES LTD	5.2%
OTHERS	0.9%

## TOP 5 SHAREHOLDERS

TMI MAURITIUS	14.1%
P5 ASIA INVESTMENTS (MAURITIUS)	10.0%
TMI INDIA LTD.	5.0%
MONET LIMITED	2.7%
BAJAJ ALLIANZ LIFE INSURANCE	1.8%



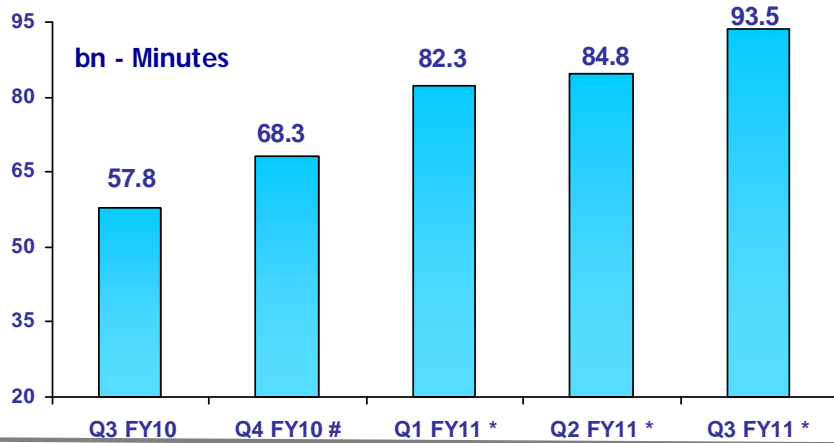
Appendix



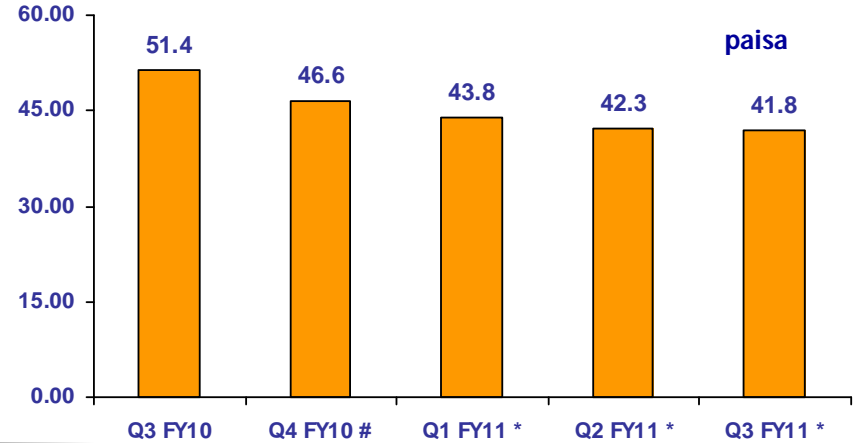
# Key Trends (Quarterly)



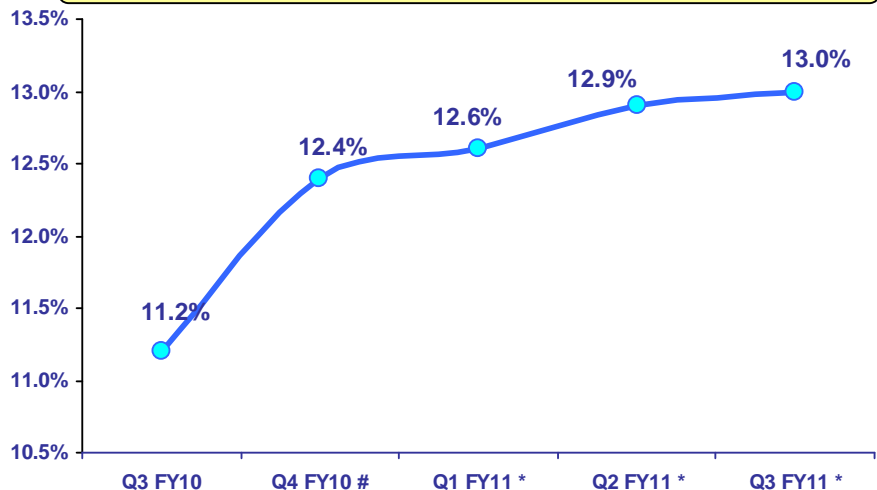
Minutes of use on Network (QoQ)



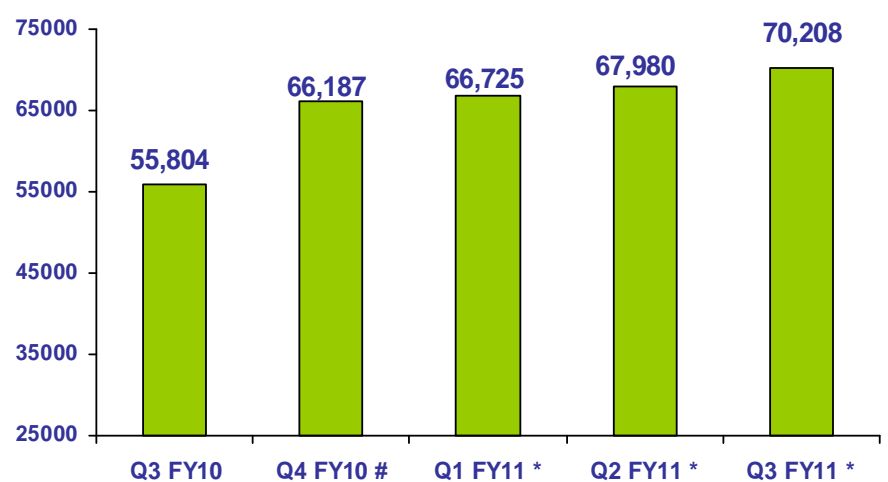
Realized rate per minute



VAS as a % of Revenue



Cell Sites



#Includes figures for erstwhile Spice Comm. for the month of /as of March'10

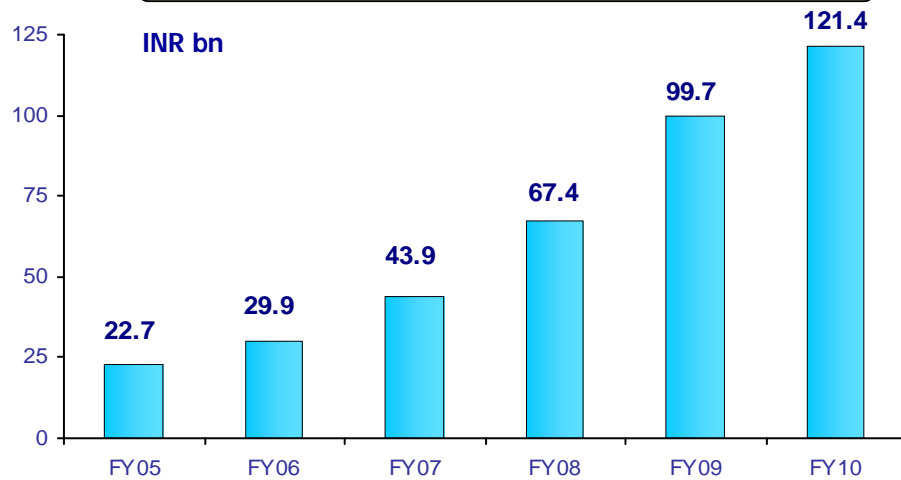
\*Includes figures for erstwhile Spice Comm. for FY11



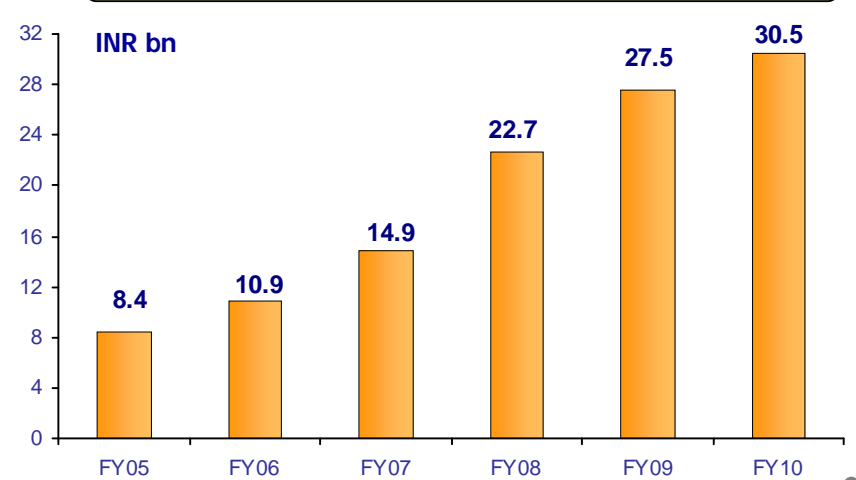
# Financial Matrix (Idea\* - Annual)



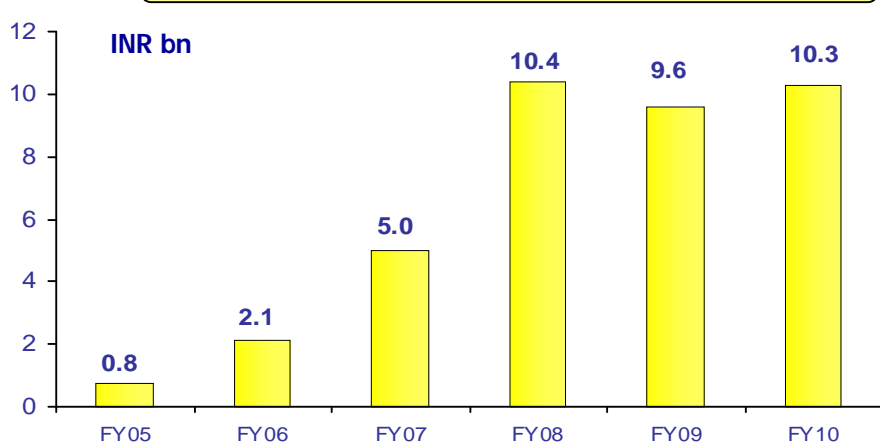
**Robust Growth in Top Line**



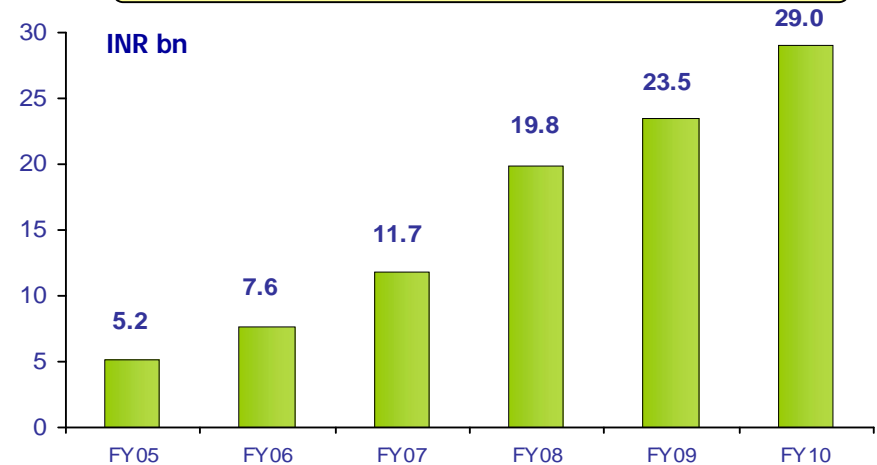
**Robust Growth in EBITDA**



**Robust Growth in Net Profits**



**Robust Growth in Cash Profits**

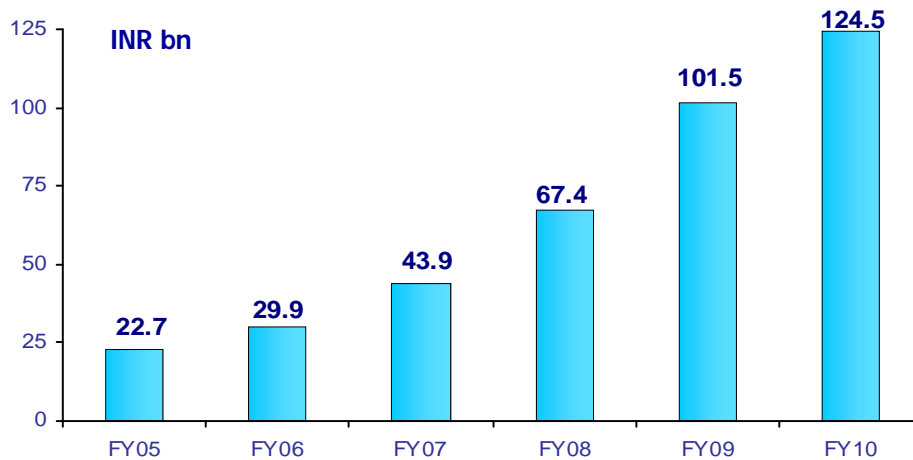


\*Represents Idea and its 100% subsidiaries

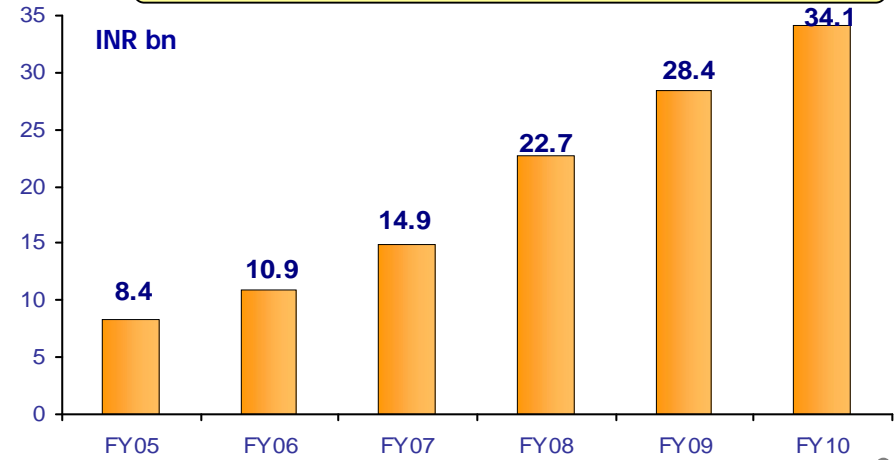
# Financial Matrix (Consolidated\* - Annual)



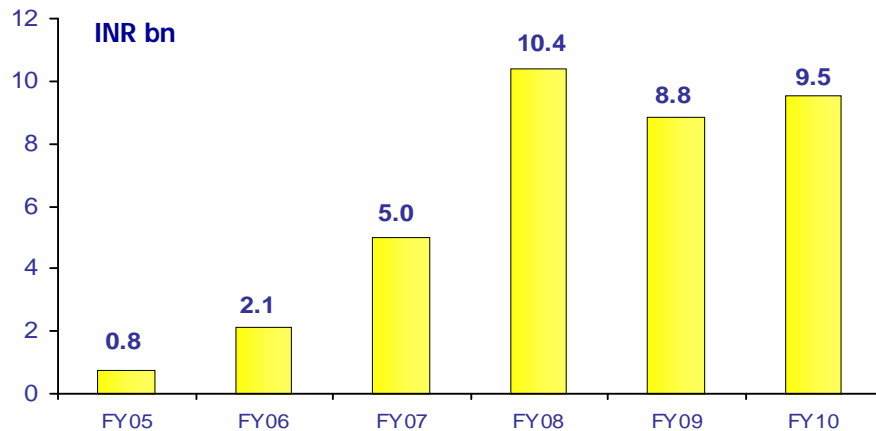
**Robust Growth in Top Line**



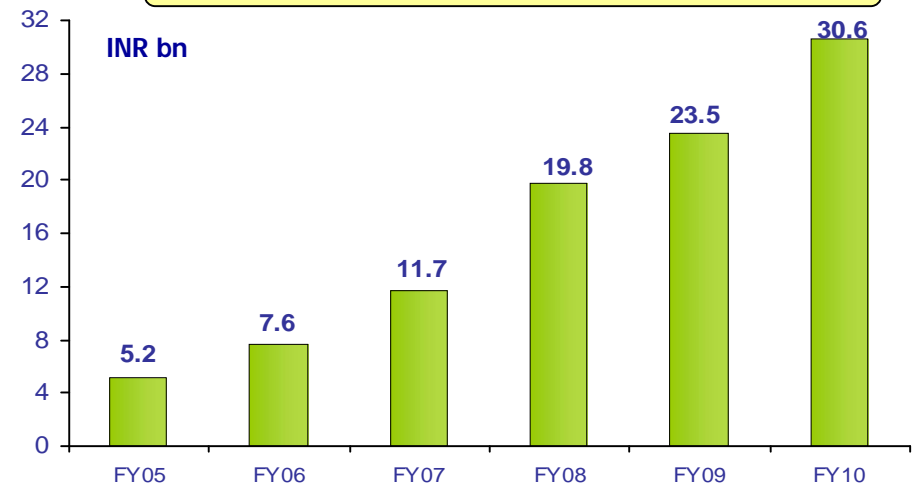
**Robust Growth in EBITDA**



**Robust Growth in Net Profits**



**Robust Growth in Cash Profits**



\*Represents Idea, its 100% subsidiaries and Joint Ventures



Thank You