



# Idea Cellular Limited

## Investor Presentation

# Disclaimer



The information contained in this presentation is only current as of its date. All actions and statements made herein or otherwise shall be subject to the applicable laws and regulations as amended from time to time. There is no representation that all information relating to the context has been taken care of in the presentation and neither we undertake any obligation as to the regular updating of the information as a result of new information, future events or otherwise. We will accept no liability whatsoever for any loss arising directly or indirectly from the use of, reliance of any information contained in this presentation or for any omission of the information. The information shall not be distributed or used by any person or entity in any jurisdiction or countries were such distribution or use would be contrary to the applicable laws or regulations. It is advised that prior to acting upon this presentation, independent consultation / advise may be obtained and necessary due diligence, investigation etc may be done. You may also contact us directly for any questions or clarifications.

This presentation contain certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial condition and growth prospects, and future developments in our sector and our competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue' and similar expressions identify forward looking statements.

Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward looking statements due to a number of factors, including without limitation, future changes or developments in our business, our competitive environment, telecommunications technology and application, and political, economic, legal and social conditions in India. It is cautioned that the foregoing list is not exhaustive.

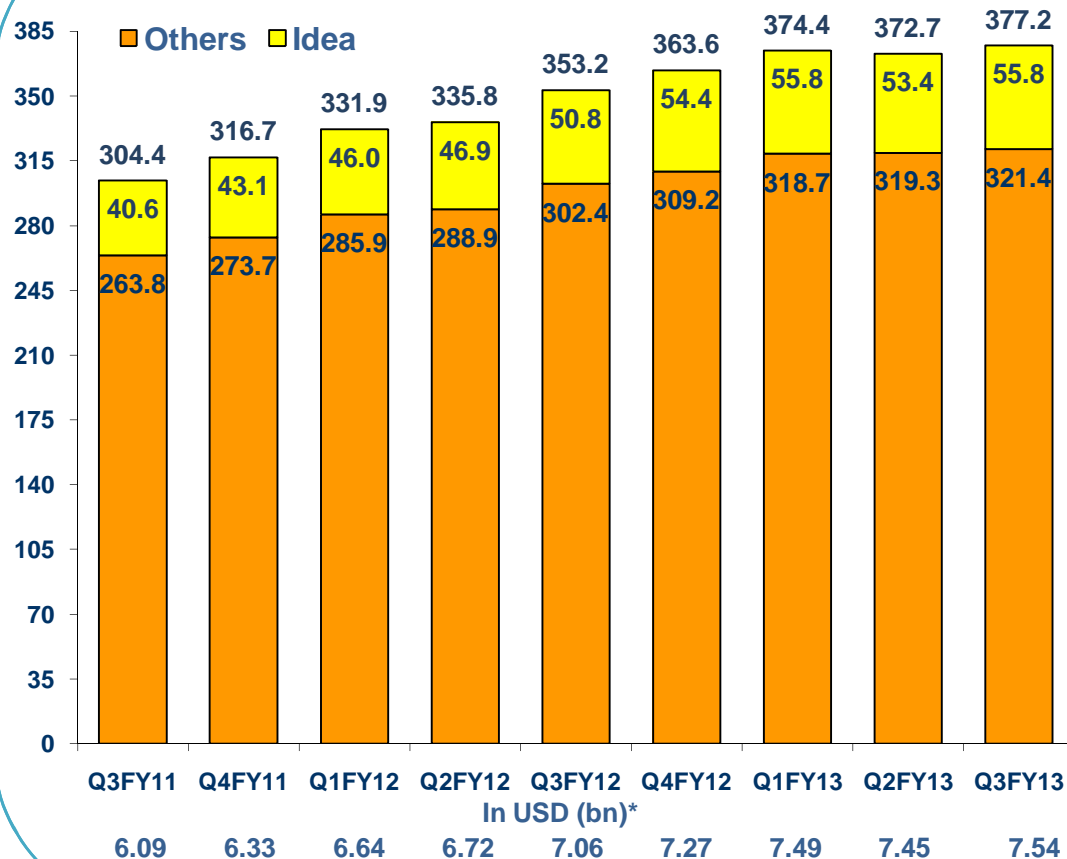
This presentation is not being used in connection with any invitation of an offer or an offer of securities and should not be used as a basis for any investment decision.

"The information contained herein does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements. No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted."

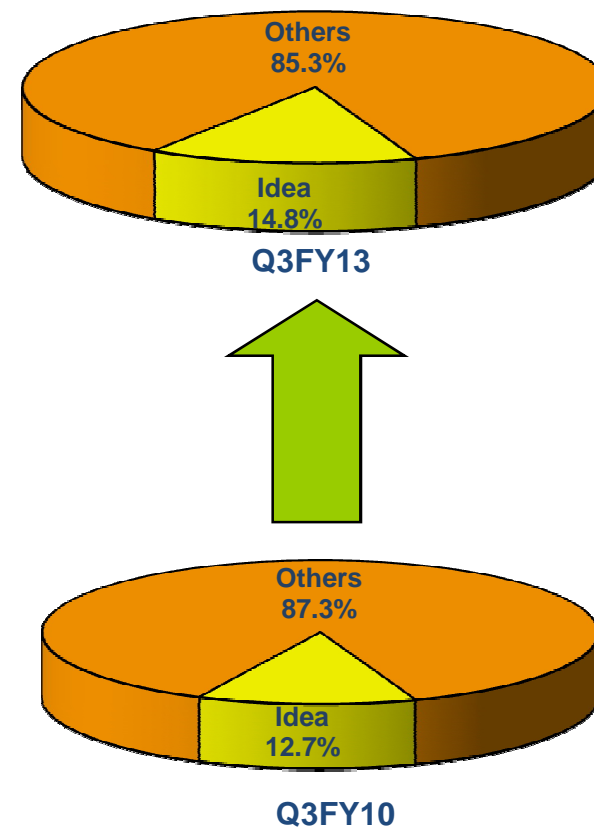
# Indian Wireless Sector – Revenue Trend



Sector Gross Revenue (INR bn)



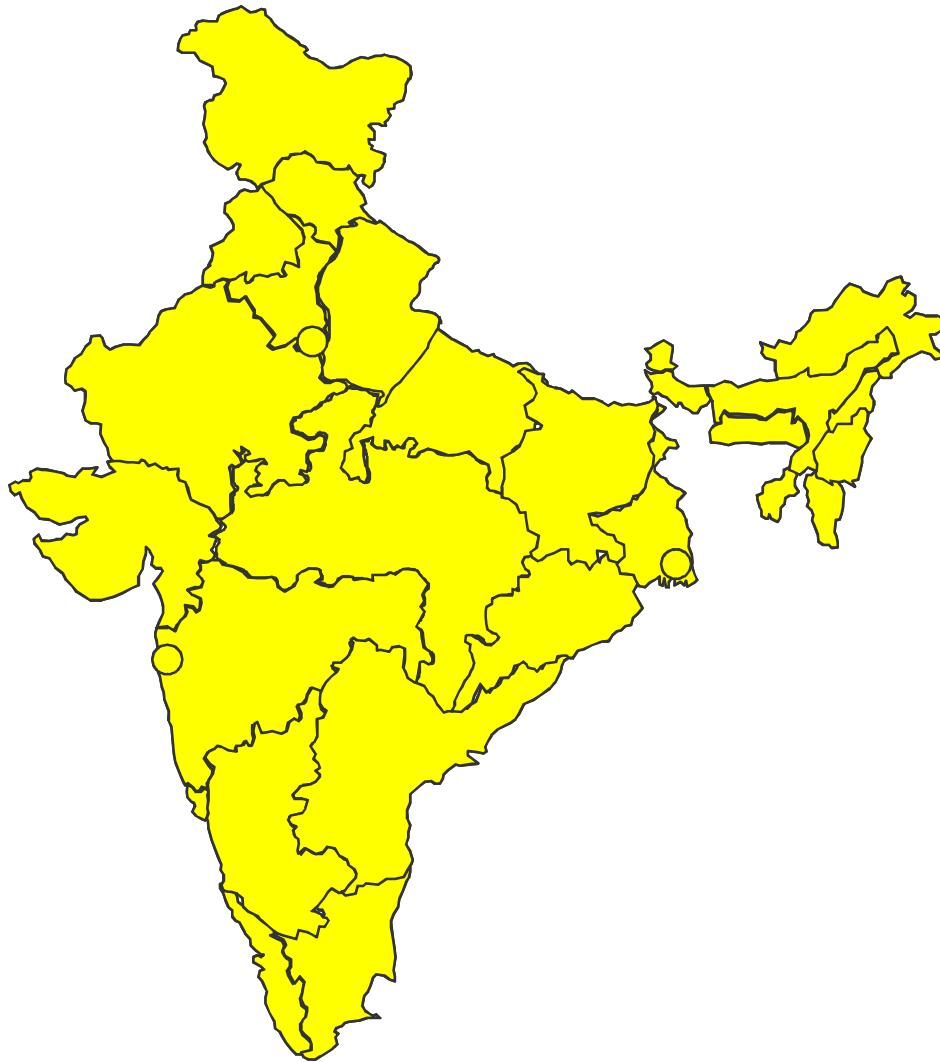
Idea - Increase in Revenue Market Share



\*1 USD = INR 50

Source: Data released by the TRAI & Company estimates; revenue for UAS and Mobile licenses only

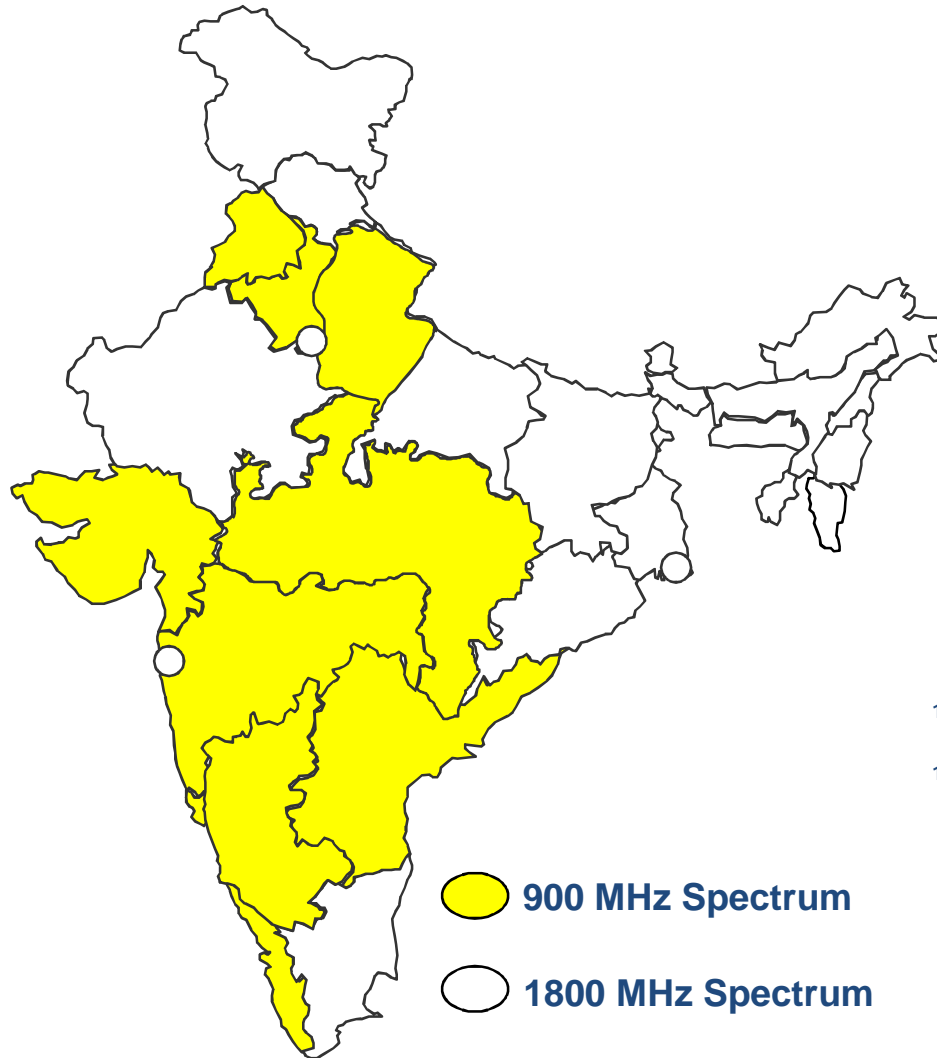
# Idea – An Overview



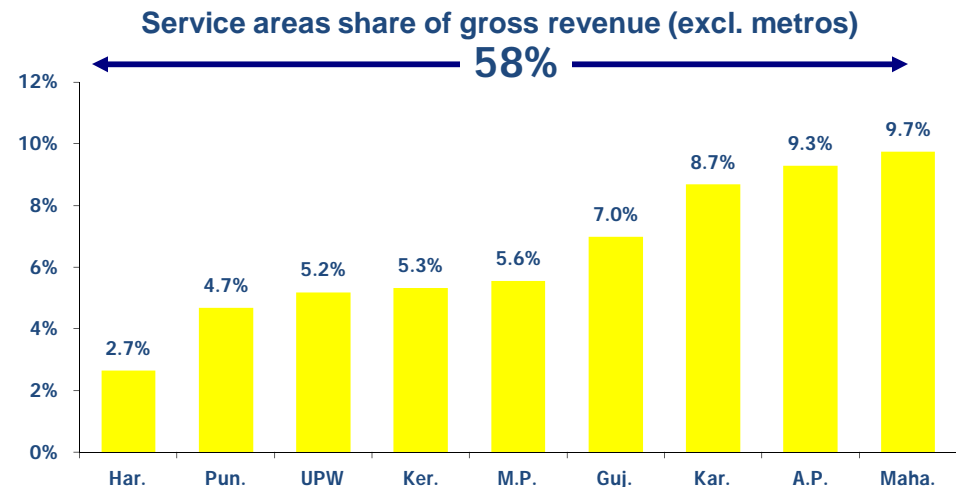
- A pan India 2G-GSM service provider.
- Provide 3G services in 20 service areas.
- Third largest operator in India, by Mobility Revenues# and VLR subscribers.
- Minutes on network ~ 1.44 bn per day (Q3FY13), placing it among the top 10 operators globally
- Leads the industry, in terms of active subscribers, as more than 98% of reported subscribers are on VLR
- Owns 9,325 towers, besides 11,094 towers transferred to Indus under IRU
- Over 71,600 km optical fibre cable (OFC) network
- Idea's NLD carries ~96% of captive outgoing minutes
- Idea's International Long Distance Operations (ILDs) carry 98% of captive outgoing minutes. Total Minutes carried on ILD ~ 1,294mn in Q3FY13
- Idea ISP carries ~76% of its own data traffic. Total data traffic carried is over 100 TB per day

# Data released by the TRAI & Company estimates; revenue for UAS and Mobile licenses only

# Competitiveness Lever 1 - Spectrum



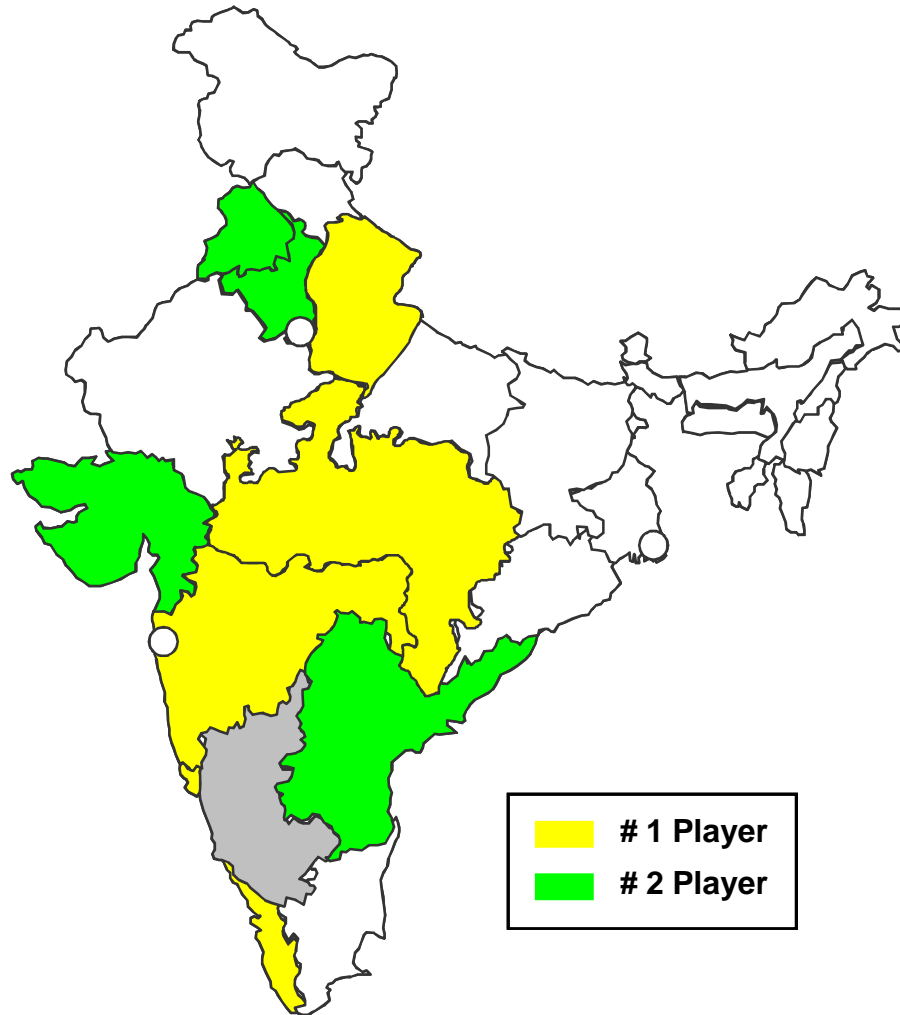
- 900 MHz spectrum band provides capex/opex advantage, compared to 1800 MHz
- 900 MHz spectrum also accompanied by early mover advantage
- Idea holds 900 MHz spectrum in 9 service areas, covering
  - ~ 48% of national revenue and ~73% of Idea's revenue
  - ~ 58% of national revenue base (excl. metros\*)
- Idea's spectrum profile is very attractive across all private operators



Source: Data released by the TRAI & Company estimates for Q3FY13, revenue for UAS and Mobile licenses only

\* Metros as Mumbai, Delhi and Kolkata

# Competitiveness Lever 2 - Scale within Service Area



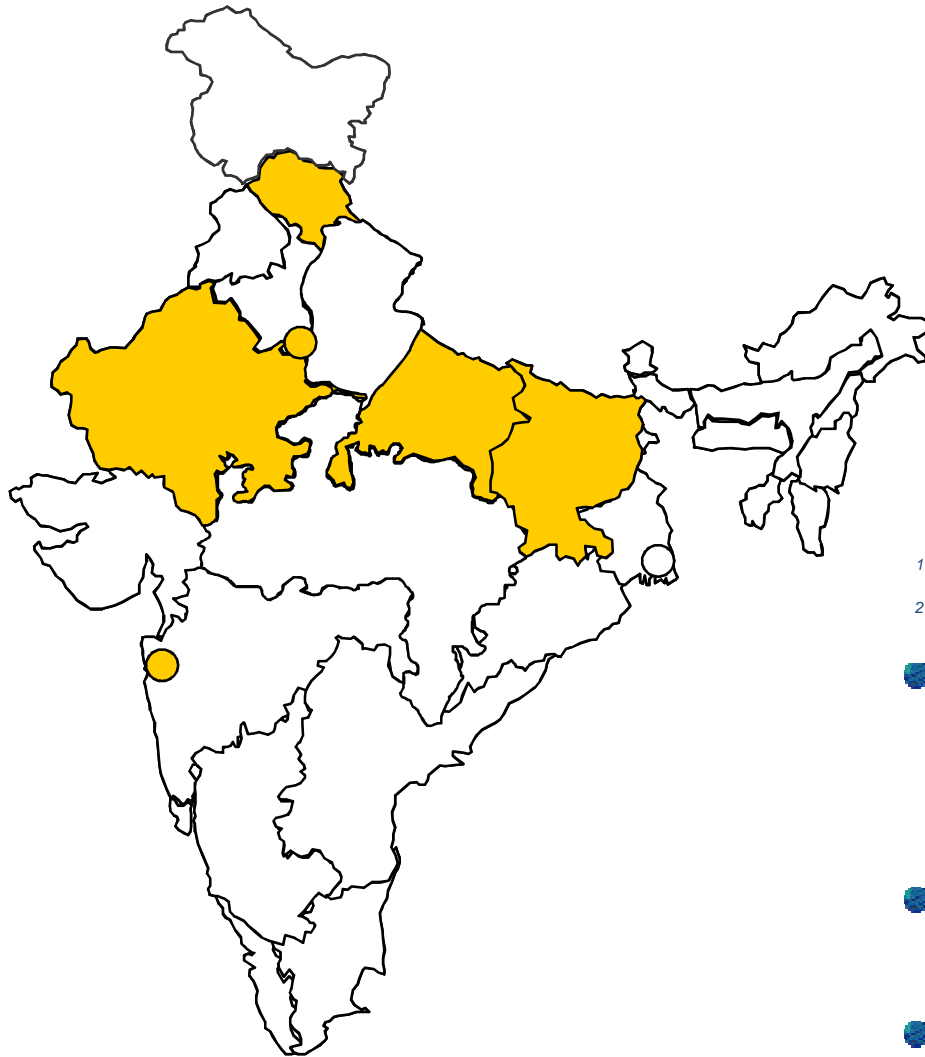
Service Area (900 MHz)	Revenue Mkt Share <sup>1</sup> (RMS)	Rank <sup>2</sup>
Kerala	34.2%	1
M.P.	33.3%	1
Maharashtra	27.3%	1
UP (W)	27.0%	1
Haryana	22.3%	2
Punjab	20.8%	2
Gujarat	18.1%	2
A.P.	18.9%	2
Karnataka	9.4%	4
<b>Total</b>	<b>22.6%</b>	<b>2</b>

**Improved combined revenue market share from 21.0% in Q3FY11 to 22.6% in Q3FY13**

***In 9 service areas, comprising ~ 48% of national revenue market & ~73% of Idea's revenue, Idea's competitiveness is intrinsically strong based on a) 900 MHz spectrum and b) scale of operations***

# 1800 MHz Operations (6 Service Areas)

Emerging Stronger – Ranked #3



Service Area	Revenue Mkt Share <sup>1</sup> (RMS)	Rank <sup>2</sup>
UPE	12.2%	3
Rajasthan	11.0%	3
Delhi	10.9%	3
Bihar	9.9%	4
H.P.	9.1%	5
Mumbai	8.4%	5
<b>Total</b>	<b>10.4%</b>	<b>3</b>

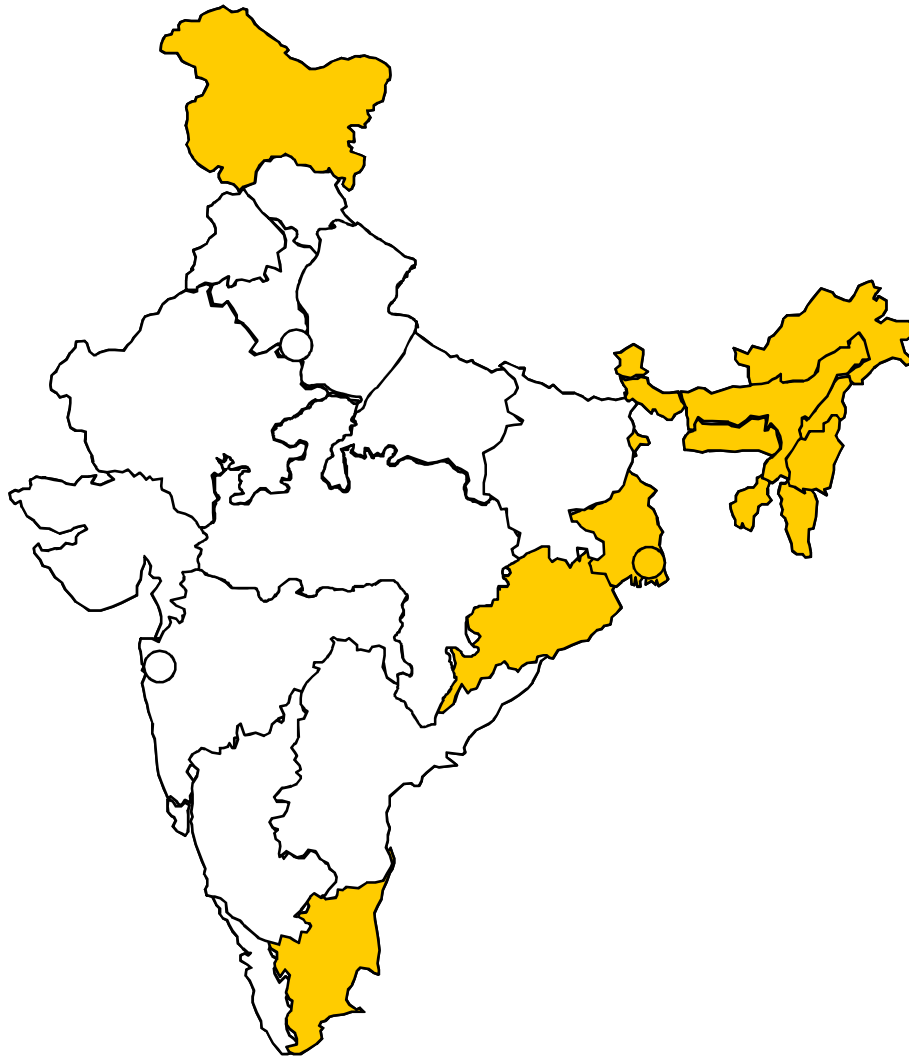
<sup>1</sup>Based on gross revenue for Q3FY13, as released by TRAI & Company estimates

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

- Idea has increased its combined RMS from 9.0% in Q3FY11 to 10.4% in Q3FY13, improving its position from 4<sup>th</sup> to 3<sup>rd</sup> ranked operator, in these service areas
- These service areas cover ~32% of all India revenue and ~22% of Idea's revenue
- With continuous improvement in RMS, Idea is emerging stronger

# 1800 MHz Operations (7 New Service Areas)

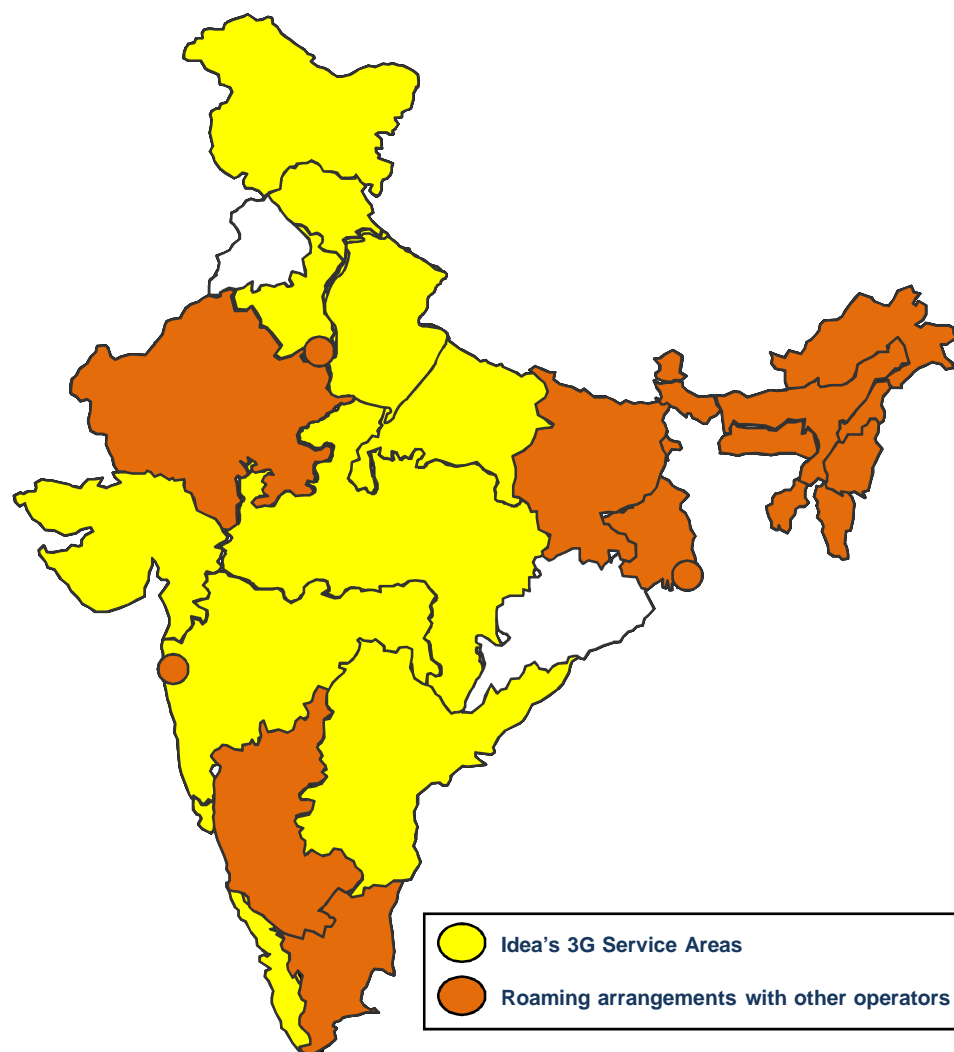
## Focus On Optimisation, Not Maximisation



- In Nov'12 1800 MHz spectrum auction Idea acquired 5 MHz (6.25 MHz in West Bengal) of liberalized spectrum (can be used for 2G,3G or 4G) in these service areas, for 20 years for an amount of Rs. 19.9 bn.
- Leverage synergies of pan India operations i.e. roaming, NLD, ad spend, common network elements, etc.
- Focus on operational and financial goals, not league tables
- Combined RMS of 3.3% in Q3FY13. Inevitably, as the number of operators in the Indian market shrink, these new market will offer good growth potential



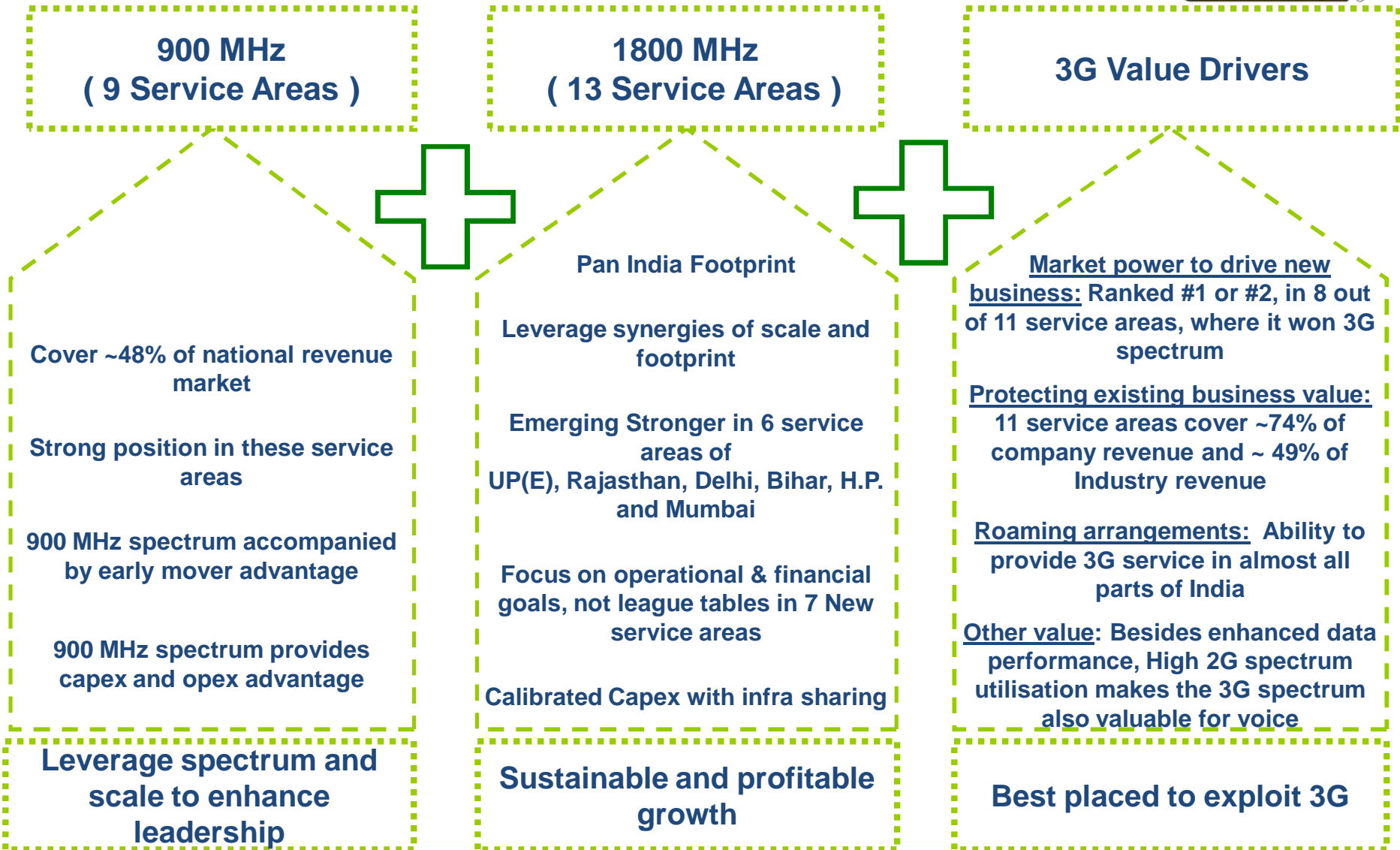
# 3G Footprint



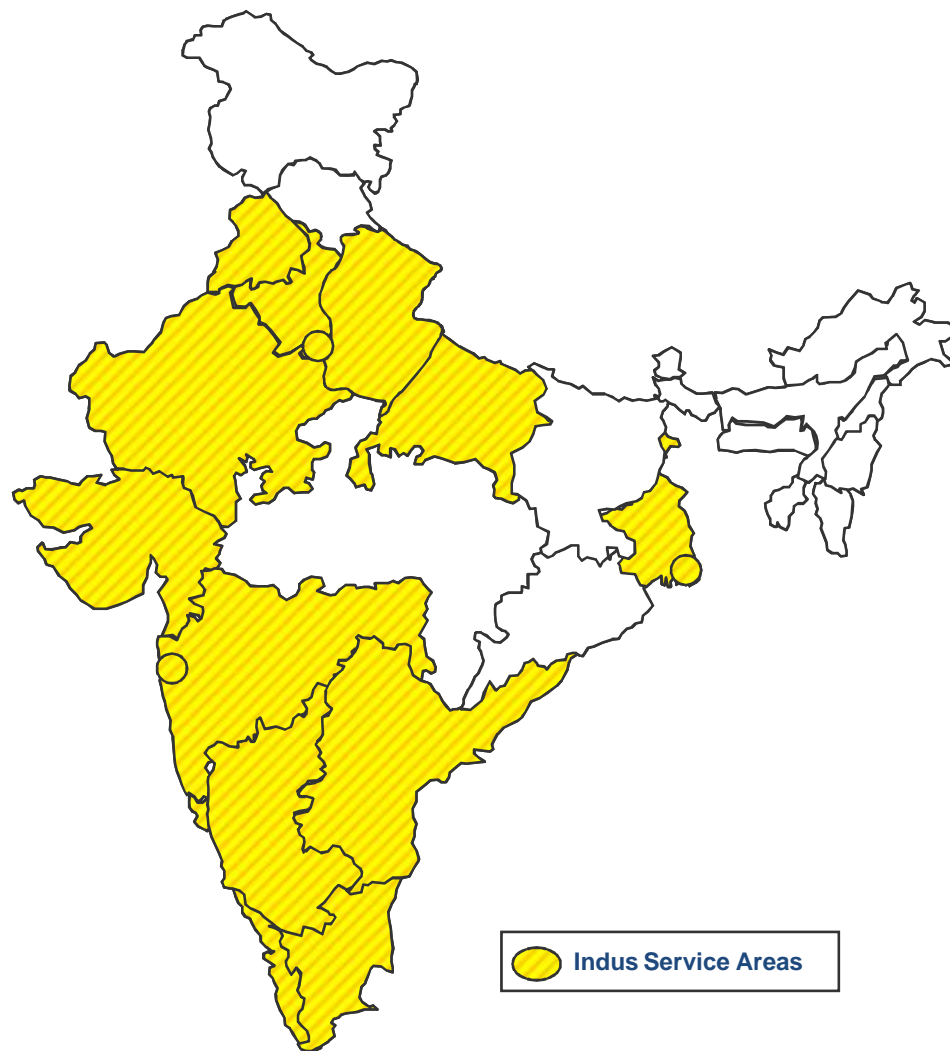
- Idea launched 3G services in 10 service areas, out of 11 service areas where it won 3G spectrum
- Having 15,545 3G sites in these service areas (Q3FY13)
- Launched 3G services under roaming arrangements for the service areas of Mumbai, Bihar, Karnataka, Rajasthan, West Bengal, Delhi, Kolkata, Tamil Nadu (incl. Chennai), Assam and North East
- With these arrangements Idea currently offers 3G services in 20 service areas
- Around 4.1 mn 3G subs with data ARPU of Rs. 97
- Existing 21mn 2G EDGE data subscribers & growing, offer excellent long term 3G upgrade opportunity

Note :For Punjab service area, authorisation for commercial use of 3G spectrum is awaited

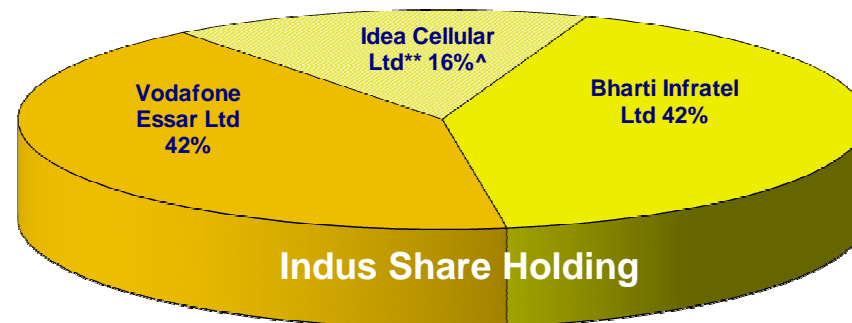
# Idea – Long Term Shareholder Value



# The Indus Advantage



- Provides passive infrastructure services in 15 service areas
- Largest independent tower company in the world with more than 111,200 towers
- Indus benefits from assured tenancy from promoters (combined revenue market share of ~67%\*), apart from other operators
- Idea benefits by reduced capex, speed to market, and embedded value of shareholding



^In addition, Idea also own more than 9,300 towers

\*\*through Aditya Birla Telecom Ltd.

# Idea – A Power Brand



Ek doosre ko samajhne ke liye telephone exchange.  
**!idea**  
 What an idea!

**ADITYA BIRLA GROUP** An idea can change your life

**!idea**

USE MOBILE. SAVE PAPER.

**ADITYA BIRLA GROUP** What an idea! An idea can change your life

www.idealcellular.com General information no. 97020 12345

**Idea Rings All India**  
**!idea**  
 What a network!

**ADITYA BIRLA GROUP** An idea can change your life

www.idealcellular.com Customer Care 9500 0546

**!idea**

Break the language barrier.  
 What an idea!

**ADITYA BIRLA GROUP** An idea can change your life

**Share every moment**  
**!idea**

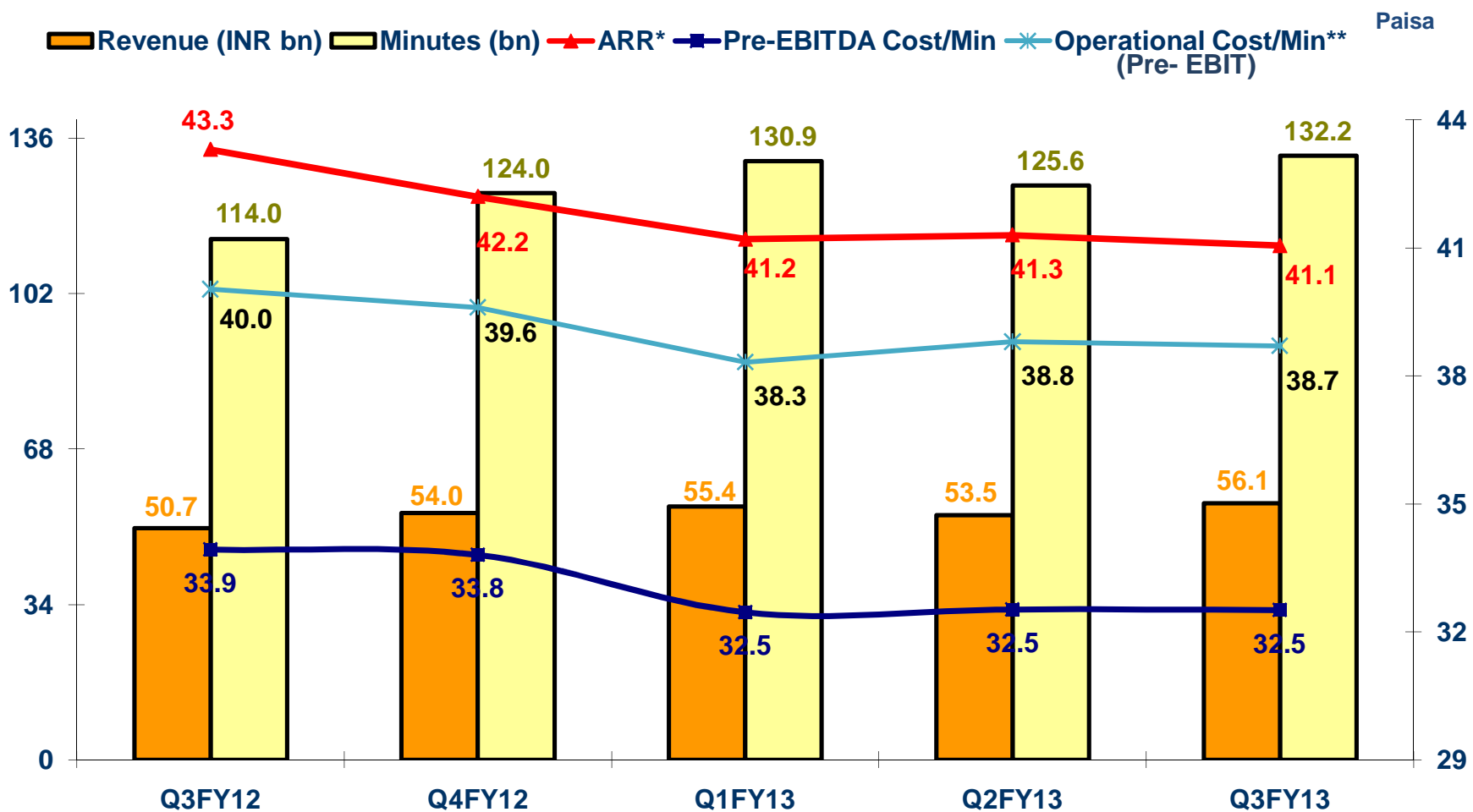
Idea 3G Smartphone Aurus with video calling.  
 Android 2.3 | Dual SIM | Free 3G benefits\*

**ADITYA BIRLA GROUP** **!idea 3G** **Smartphone** \*Conditions apply An idea can change your life

**New idea**  
 Internet search for learning  
**!idea 3G**  
**Smartphone**

**ADITYA BIRLA GROUP** **!idea** An idea can change your life

# World Class Operations and Cost Management



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

\*\* Includes Depreciation & Amortisation, but excludes Interest & Finance Cost

# Strong Balance Sheet to Support Strategic Intent

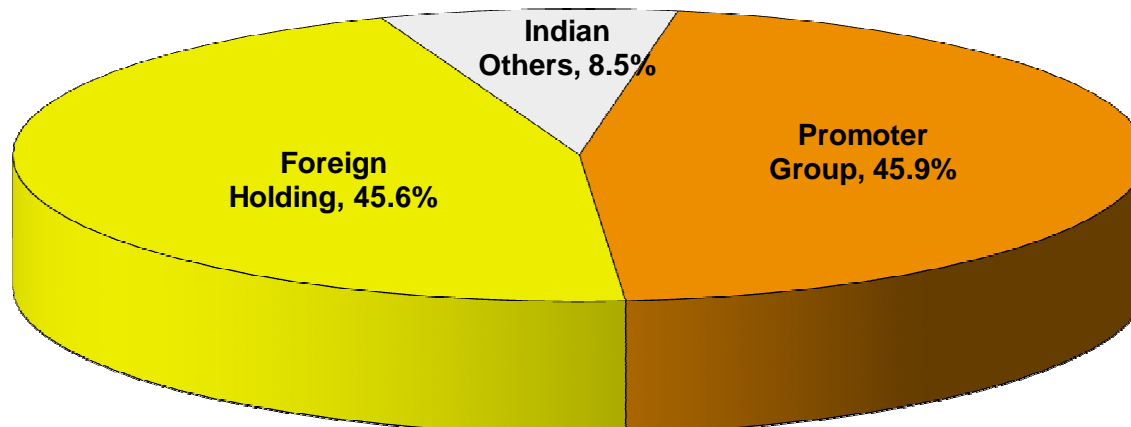


INR Million	Q4 FY10	Q4 FY11	Q4 FY12	Q3 FY13
Gross Debt	65,264	105,575	120,957	134,447
Cash & Equivalent	14,005	13,902	1,406	17,624
Net Debt	51,259	91,673	119,550	116,822
Net Worth	114,101	122,767	129,077	140,204
Cash Profit	7,657	9,031	10,135	11,085
<b>Financial Ratios</b>				
Net Debt to Net Worth	0.45	0.75	0.93	0.83
Net Debt to Annualised EBITDA	1.54	2.41	2.48	2.22
ROCE	8.7%	6.1%	6.7%	6.2%

Note: Figures for Idea including its 100% subsidiaries and excluding Joint Venture Spice (till February 28, 2010) and Indus.

# Shareholding

As on 31st Dec'12



## PROMOTERS' HOLDING

ADITYA BIRLA NUVO LIMITED	25.3%
BIRLA TMT HOLDINGS PVT LTD	8.6%
HINDALCO INDUSTRIES LIMITED	6.9%
GRASIM INDUSTRIES LTD	5.2%

## TOP 5 SHAREHOLDERS

TMI MAURITIUS	14.0%
P5 ASIA INVESTMENTS (MAURITIUS)	10.0%
AXIATA INVESTMENTS 2 (INDIA) LTD.	5.9%
NWB PLC AS DEP. OF FIRST STATE	2.9%
LIFE INSURANCE CORP. OF INDIA	1.5%



Appendix

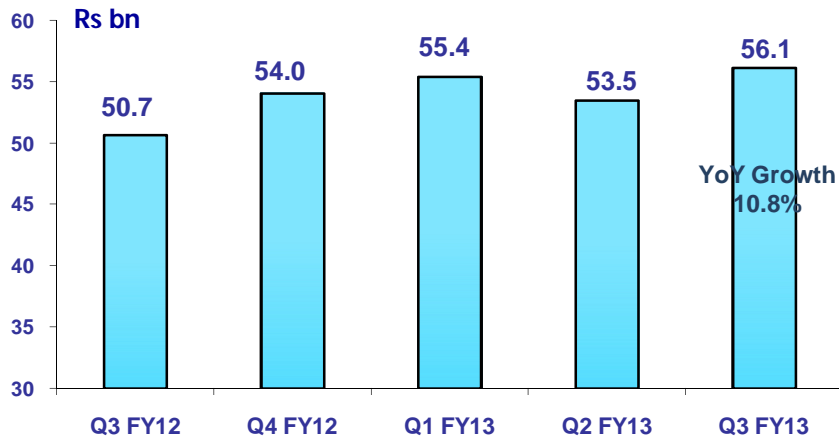




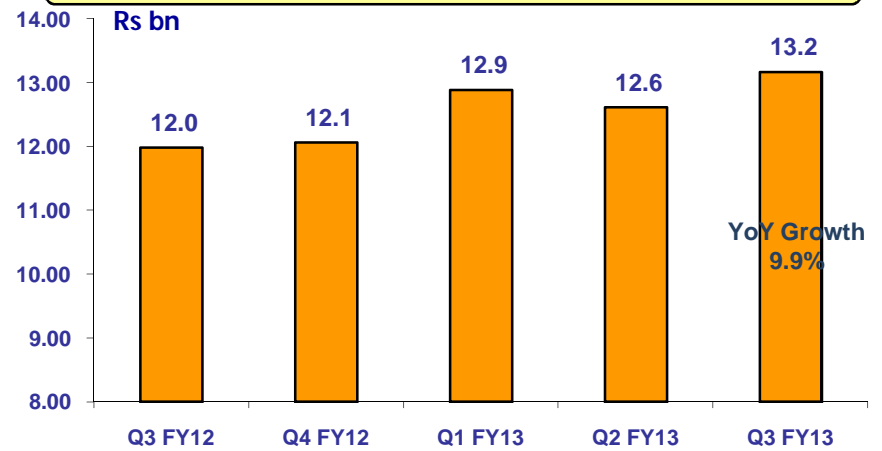
# Key Trends - 1\* (Quarterly)



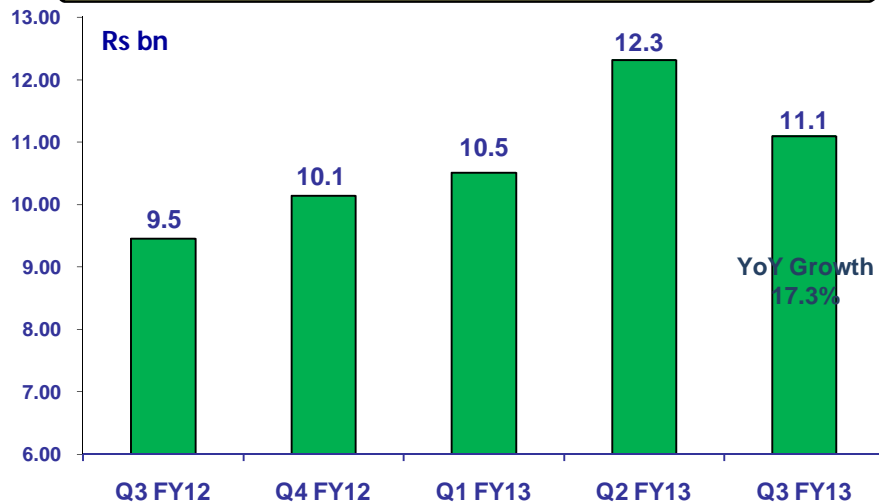
## Gross Revenue



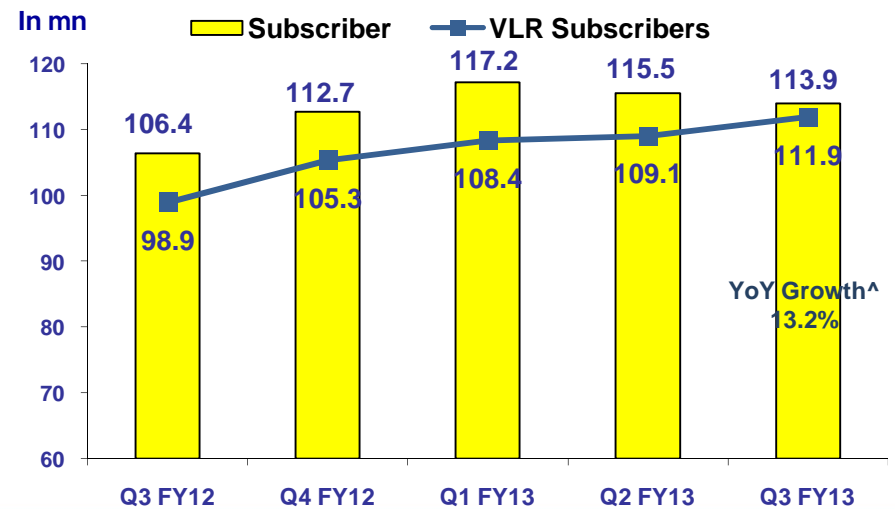
## EBITDA



## Cash Profits



## Subscribers



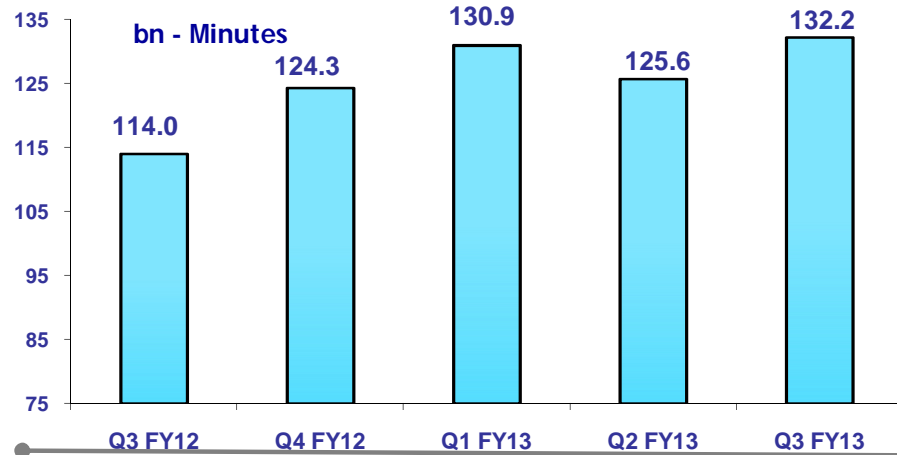
\*Represents Idea and its 100% subsidiaries

^VLR Subs

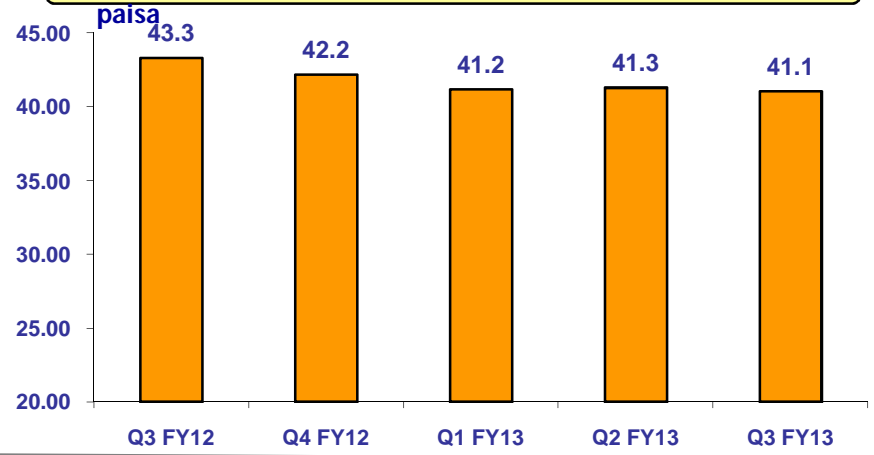
# Key Trends – 2\* (Quarterly)



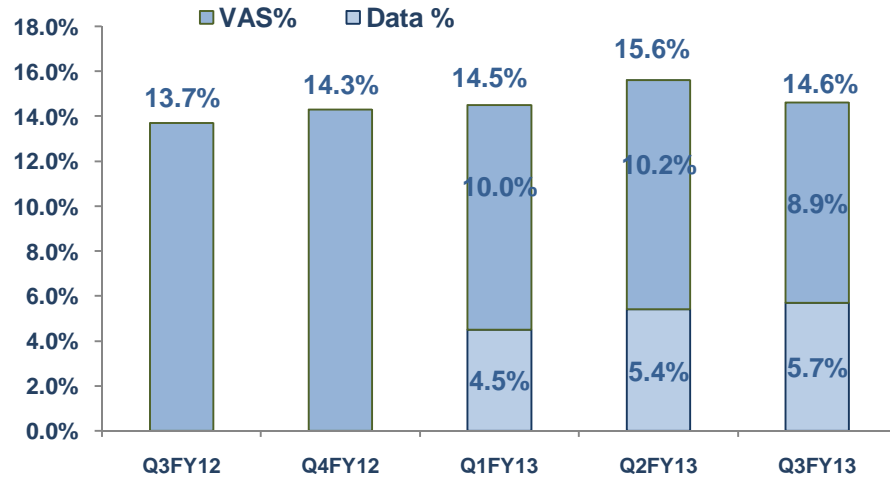
Minutes of use on Network (QoQ)



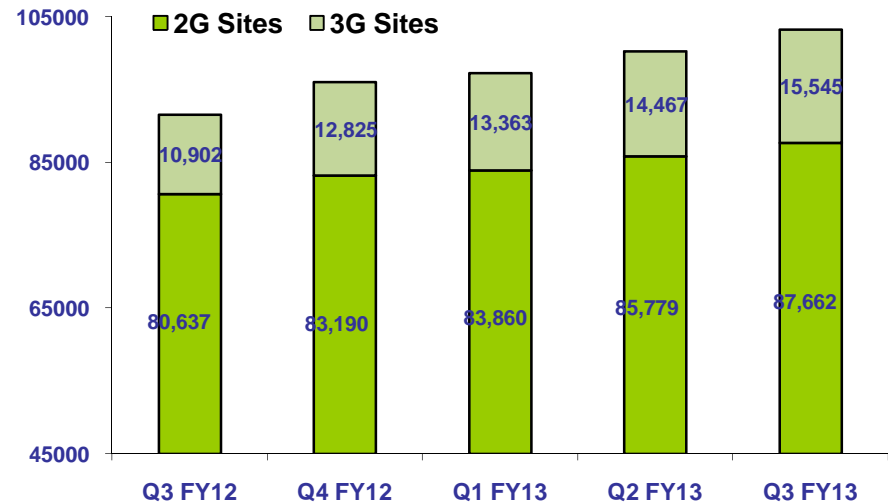
Realized rate per minute



VAS and Data as a % of Revenue



Cell Sites

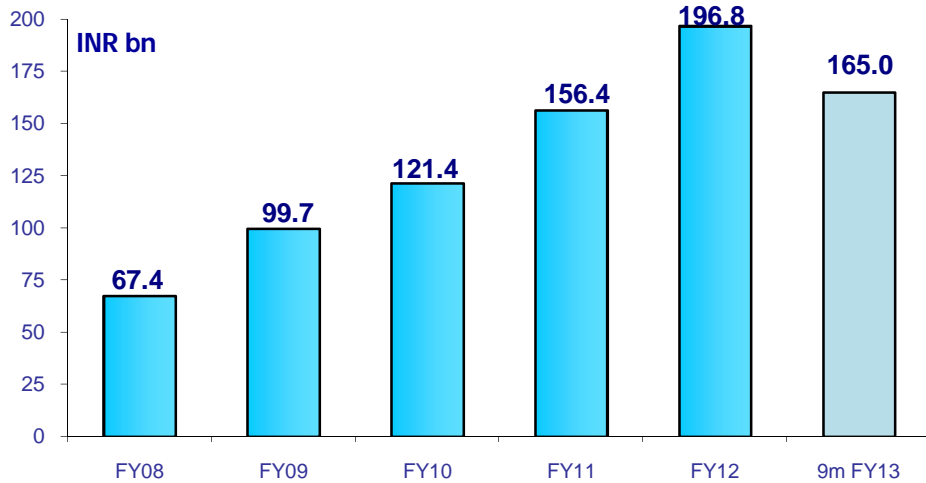


\*Represents Idea and its 100% subsidiaries

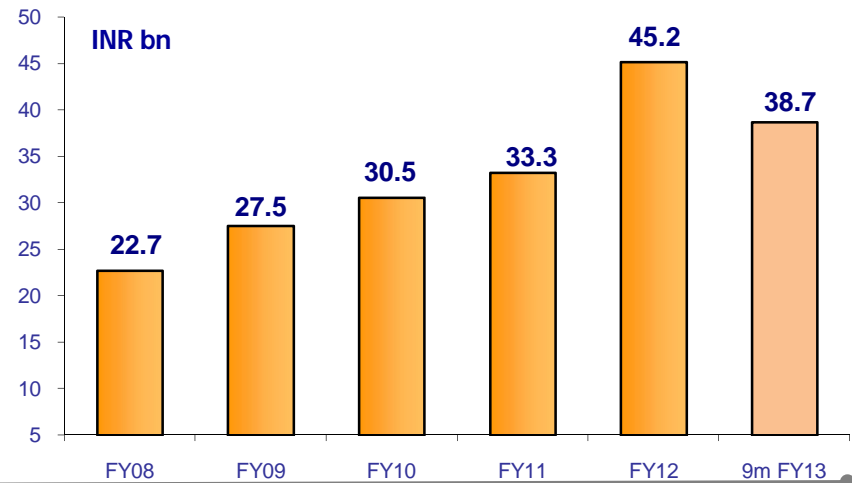
# Financial Matrix (Standalone)\*



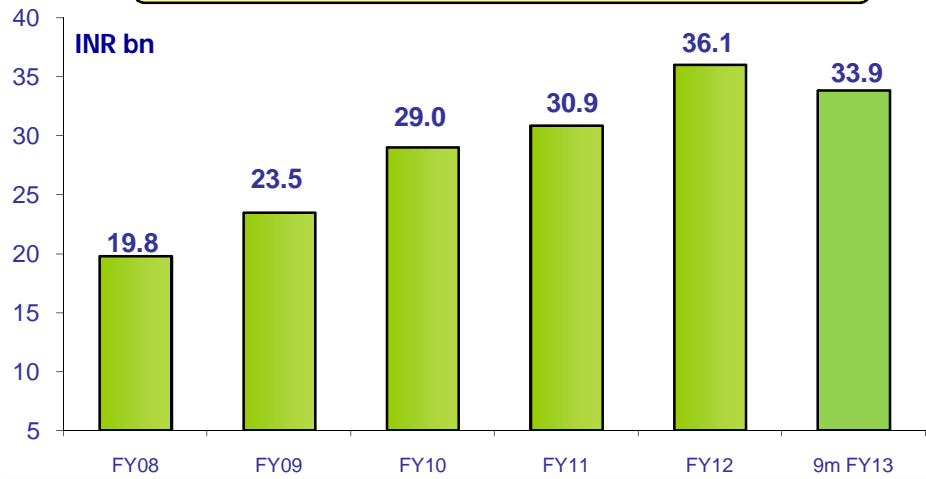
**Robust Growth in Top Line**



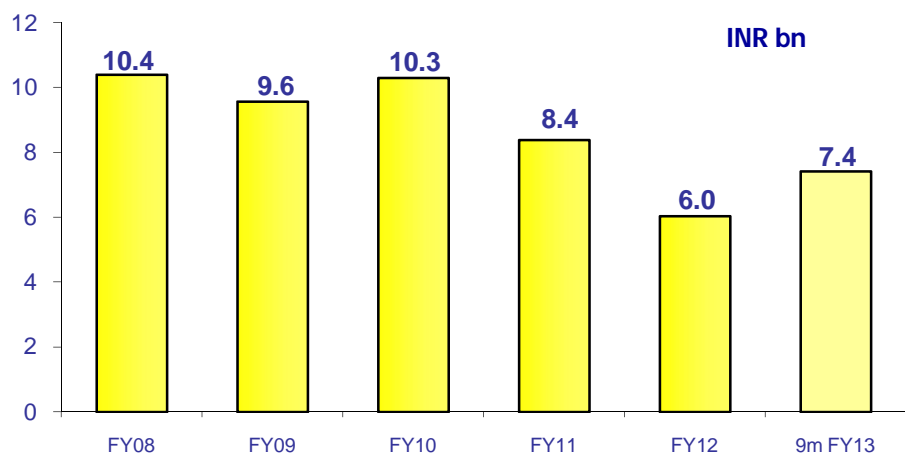
**Robust Growth in EBITDA**



**Robust Growth in Cash Profits**



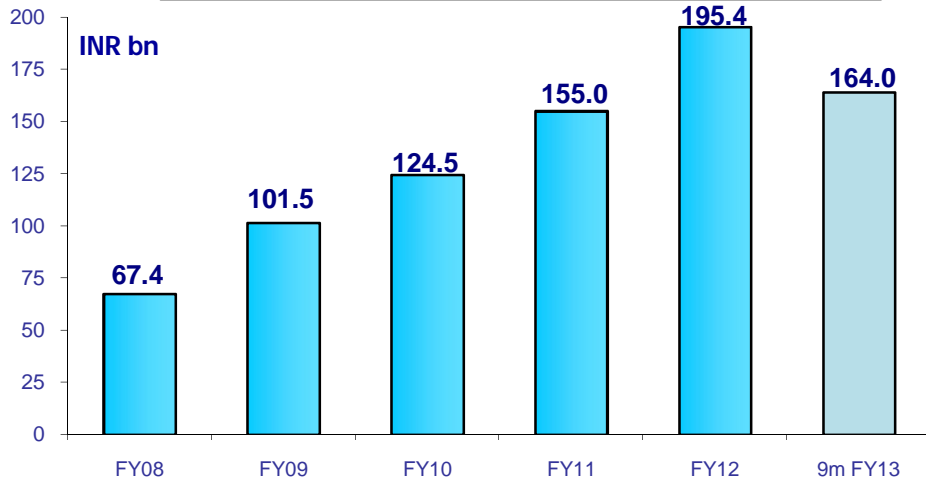
**Net Profits**



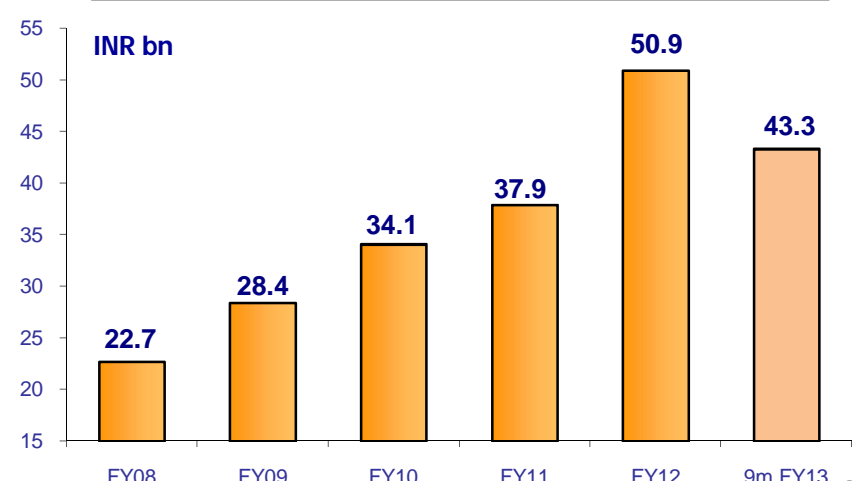
# Financial Matrix (Consolidated)\*



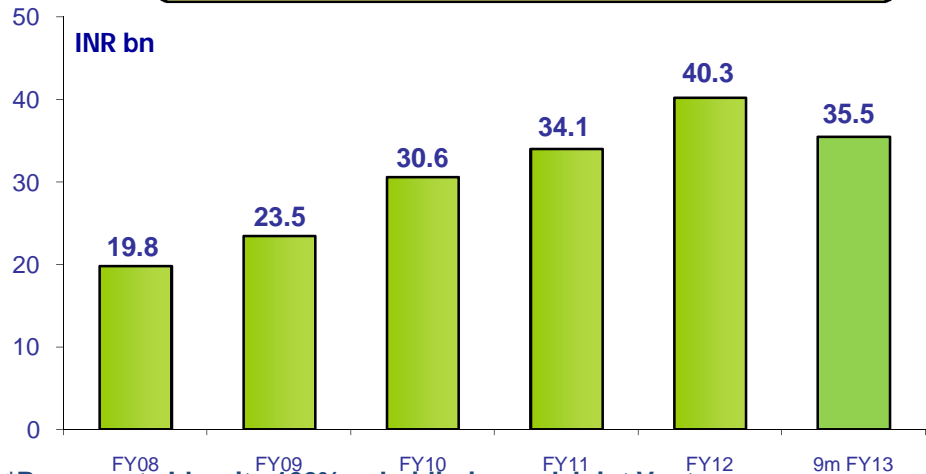
**Robust Growth in Top Line**



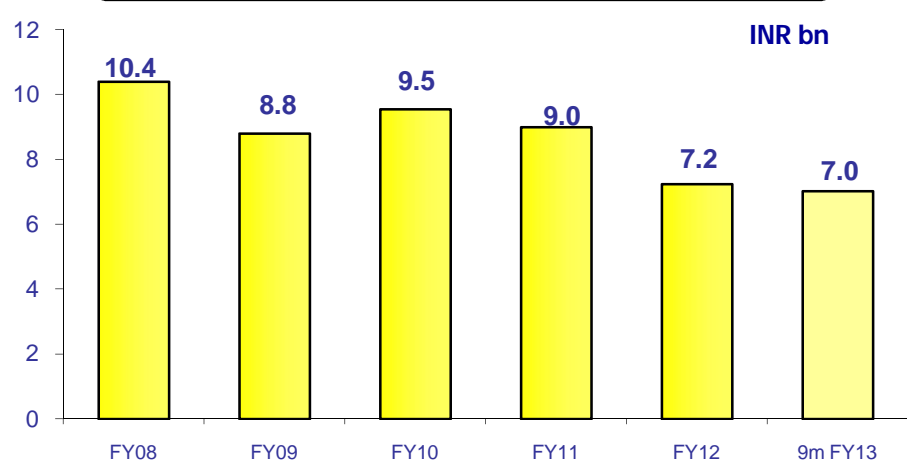
**Robust Growth in EBITDA**



**Robust Growth in Cash Profits**



**Net Profits**



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



Thank You