

The logo for Idea Cellular, featuring the word "Idea" in a bold, italicized sans-serif font with a blue exclamation mark, enclosed in a black outline of a mobile phone handset.

# Idea Cellular Limited

## Investor Presentation

A stylized graphic of a sun with rays, rendered in shades of yellow and orange, positioned in the bottom left corner of the slide.

ADITYA BIRLA GROUP

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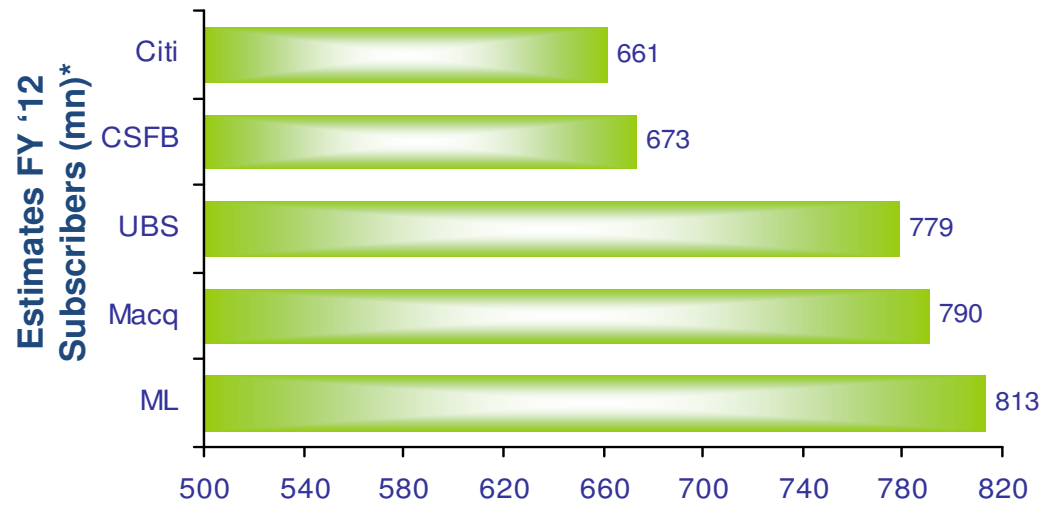
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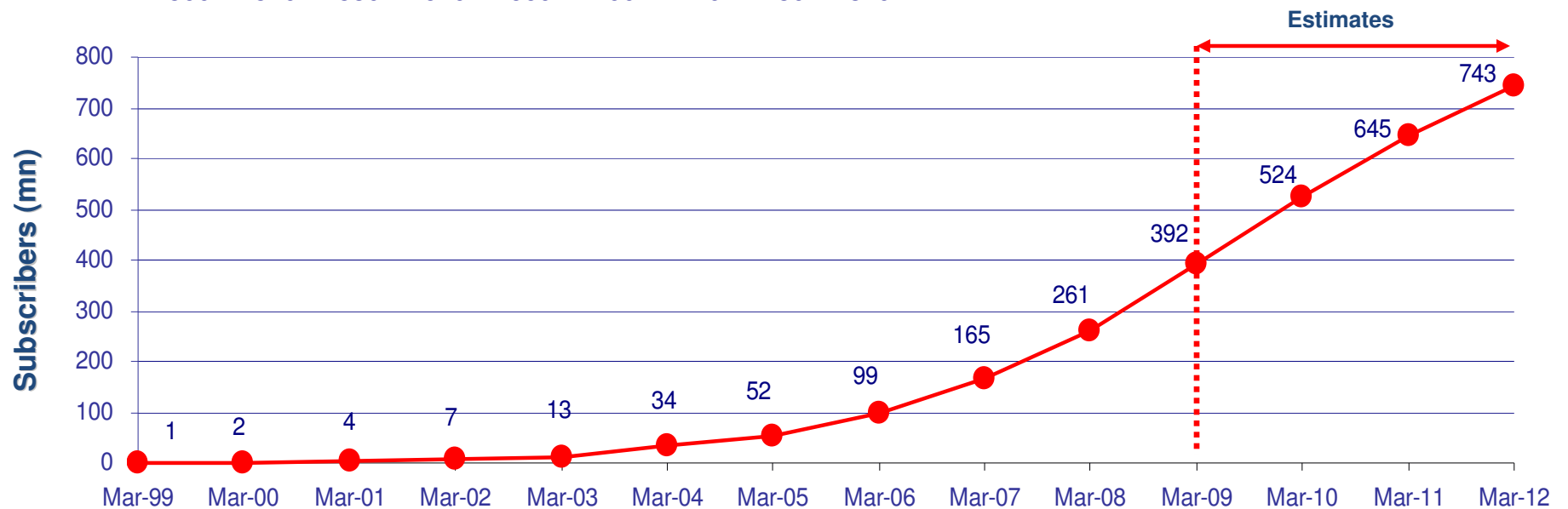
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# Indian Wireless – Fastest Growing



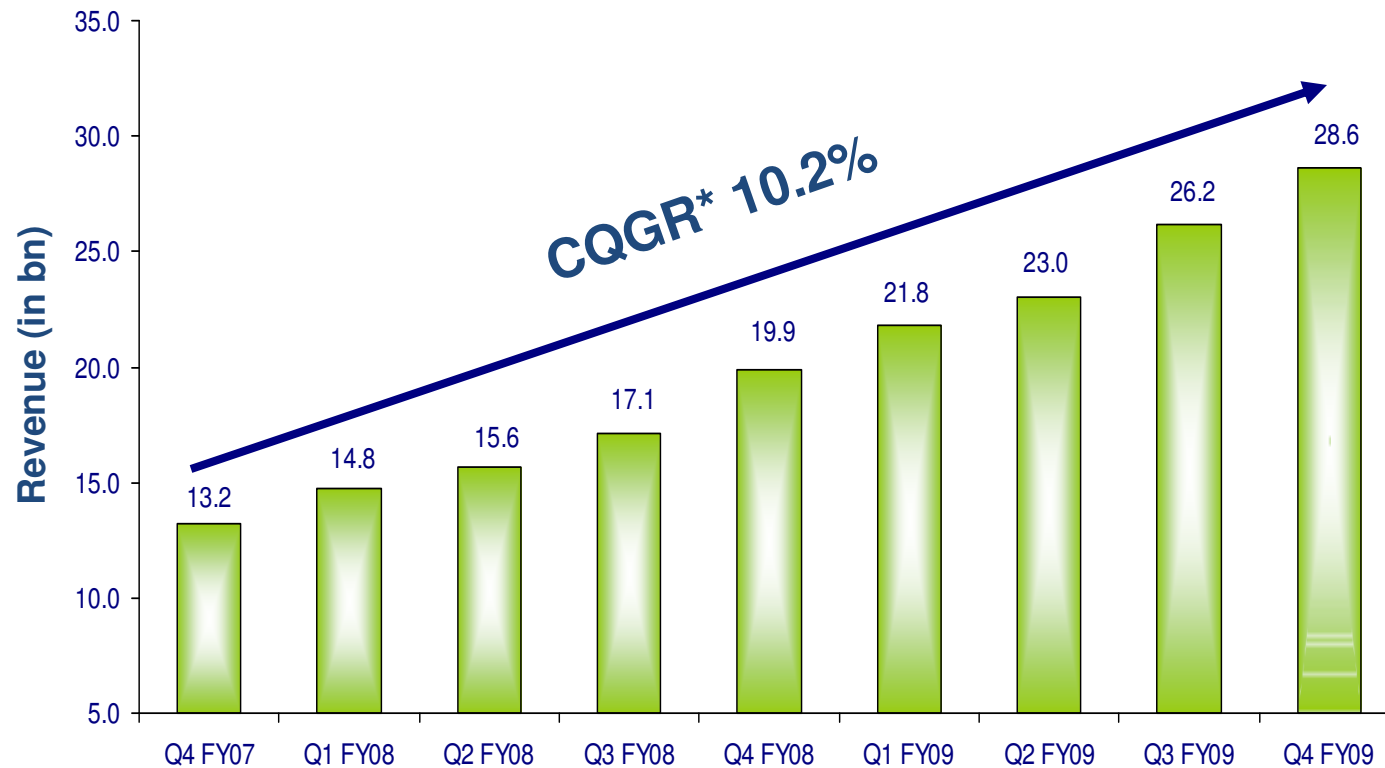
## Drivers

- ↓ Cost of Service
- ↓ Cost of Handset
- ↑ Network Coverage
- ↑ Disposable Income



\* estimates by research houses (as of 06<sup>th</sup> July'09)

# Idea – Fastest Growing in India

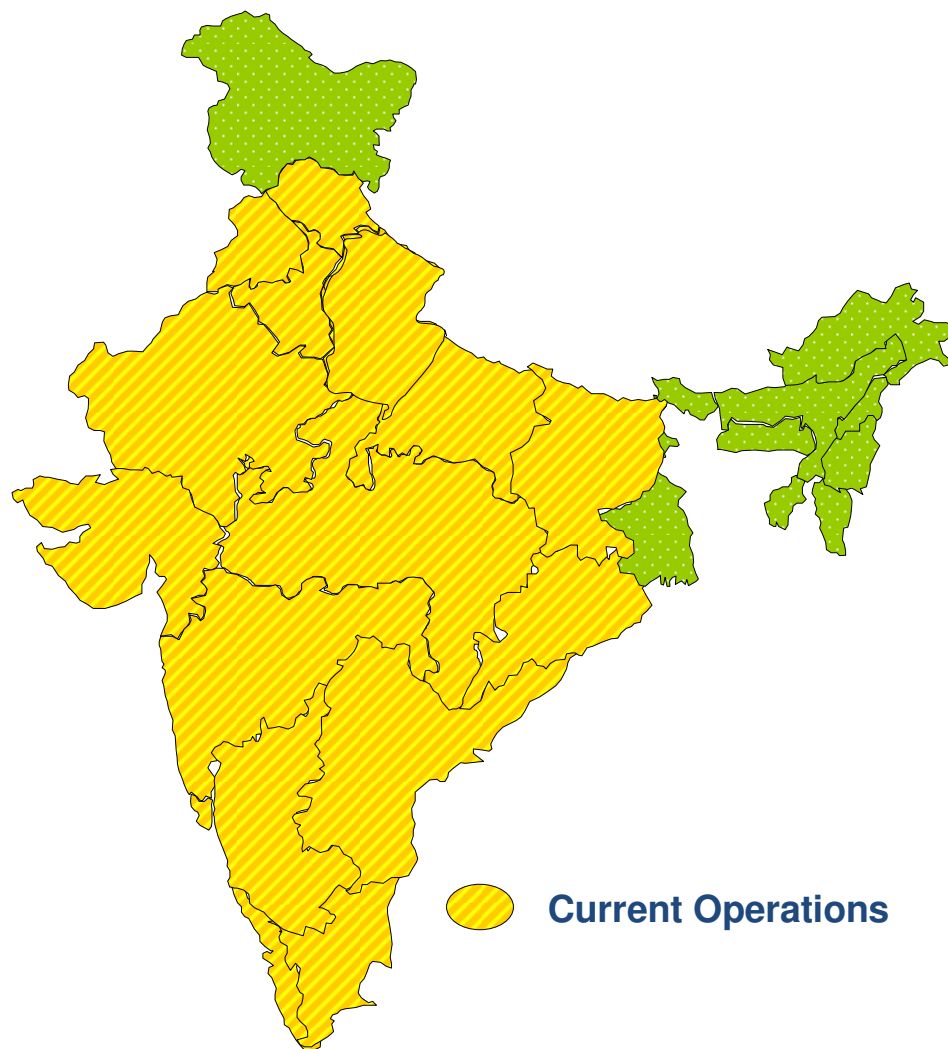


- Back to back YoY revenue growth of 48% in FY09 and 54% in FY08
- Indicative of Idea's strengthening market position
- Idea – the fastest growing major telco in the world's fastest growing major market

# figures only for Idea, excluding joint ventures

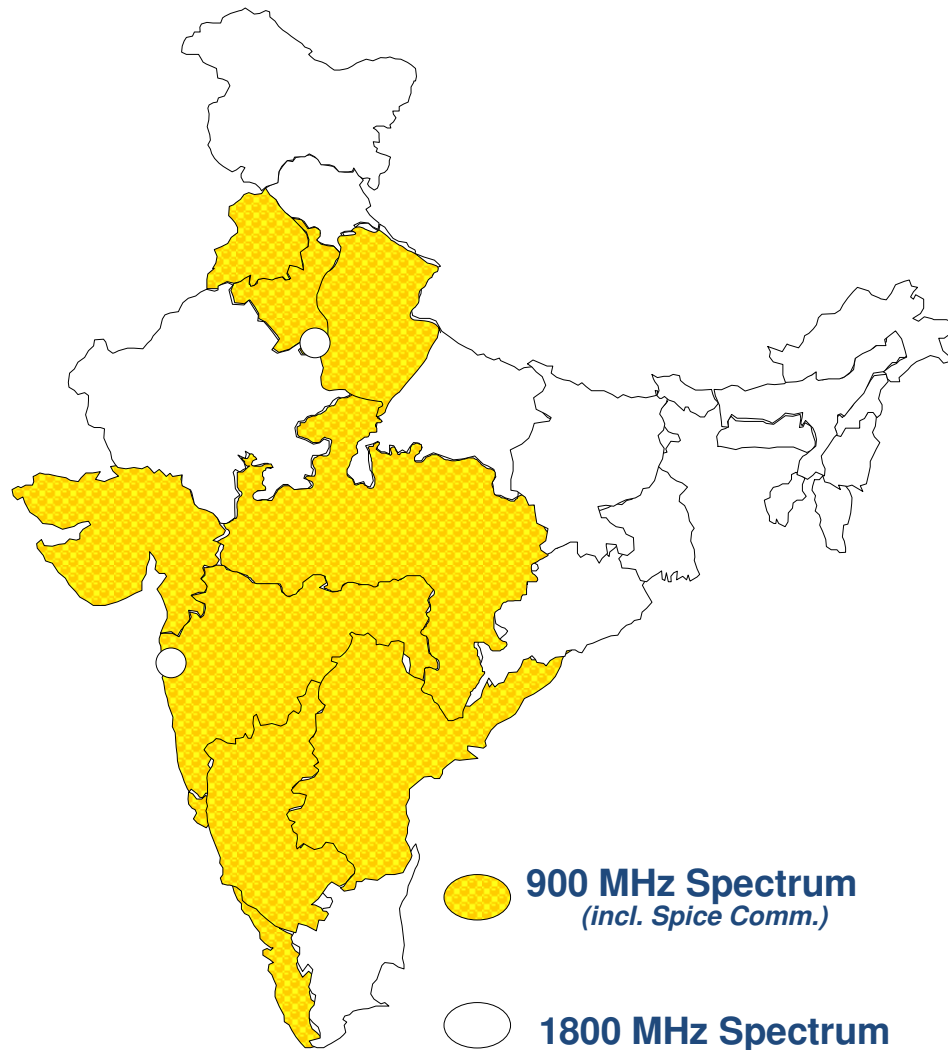
\* CQGR base Q4FY07

# Idea – An Overview



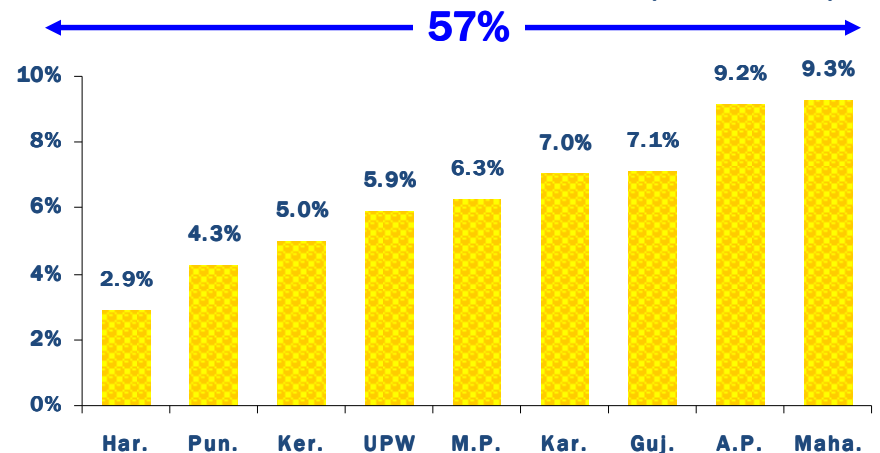
- Operates in 17 service areas (incl. Spice)
- 47.1 mn subscribers as on Jun'09
- Operating service areas cover ~90% of national subscriber base
- With Orissa, Tamil Nadu and Chennai launched in April'09, May'09 and July'09 respectively, and the remaining plans on track, Idea will be a pan-India operator in 2009

# Competitiveness Lever 1 = Spectrum



- 900 MHz spectrum band provides capex/opex advantage, compared to 1800 MHz
- 900 MHz spectrum usually accompanied by early mover advantage
- Idea holds 900 MHz spectrum in 9 service areas
  - ~ 48% of national subs base (total)
  - ~ 57% of national subs base (excl. 4 metros)
- Idea's spectrum profile is very attractive across all private operators

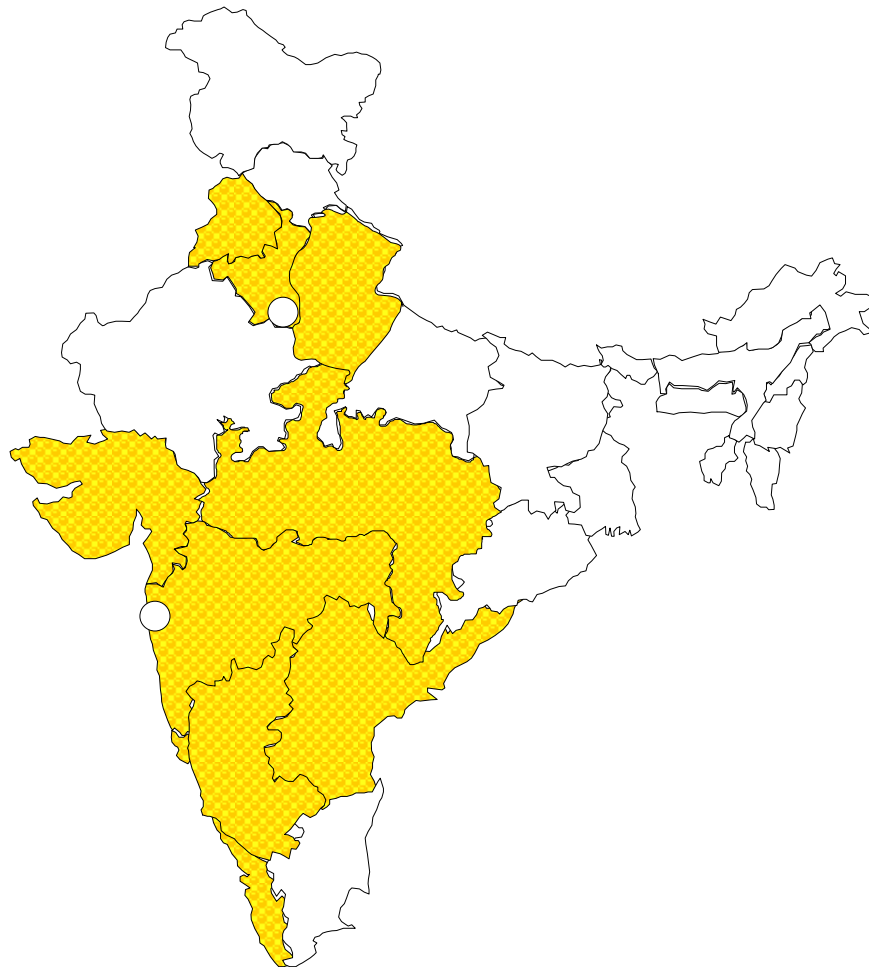
Service areas share of national subs base (excl. metros)\*



\* Source: COAI and AUSPI (as on 30 June'09)

# Competitiveness Lever 2 = Scale

Ranks 2<sup>nd</sup> in 900 MHz Service Areas



Service Area (900 MHz)	Idea - Subs Mkt share*	Rank
Kerala	26.3%	1
M.P.	24.7%	1
Maharashtra	23.8%	1
UP (W)	20.5%	3
A.P	16.5%	3
Gujarat	16.3%	4
Haryana	15.3%	4
Punjab <sup>#</sup>	16.4%	3
Karnataka <sup>#</sup>	6.9%	5
<b>Total</b>	<b>18.6%</b>	<b>2</b>

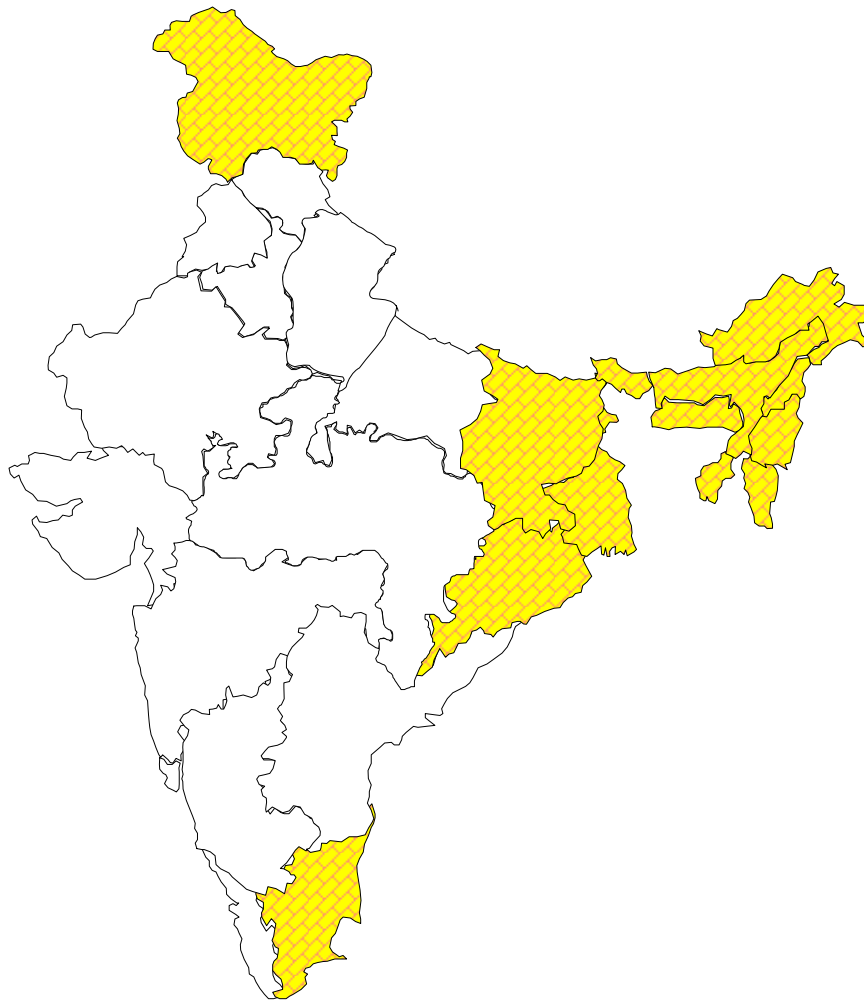
\* Source: COAI and AUSPII (as on 30 June'09)

<sup>#</sup> Spice Comm. service areas – new in Idea fold

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

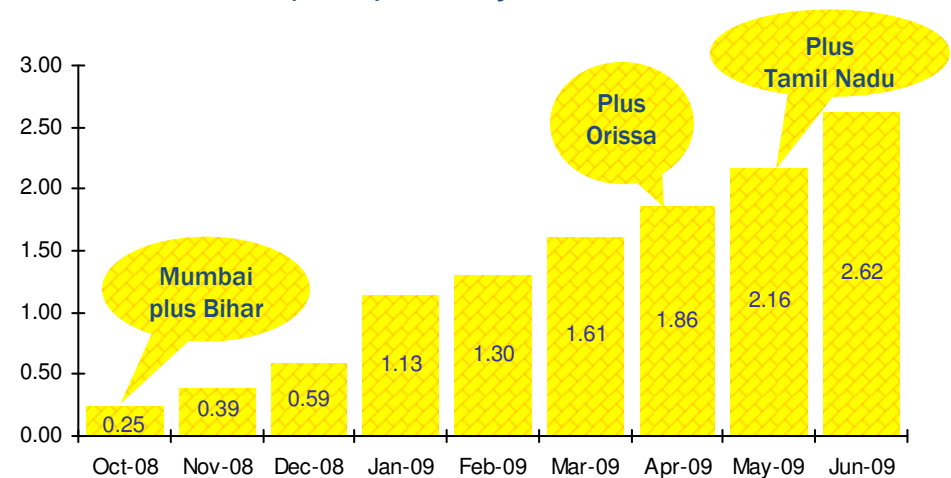
# 1800 MHz New Launches

## Focus On Optimisation, Not Maximisation



- Idea to be a pan-India operator in 2009
- Leverage synergies of pan India operations i.e. roaming, NLD, ad spend, common network elements, etc.
- Infra sharing to reduce capex, and time to market
- Focus on operational and financial goals, not league tables

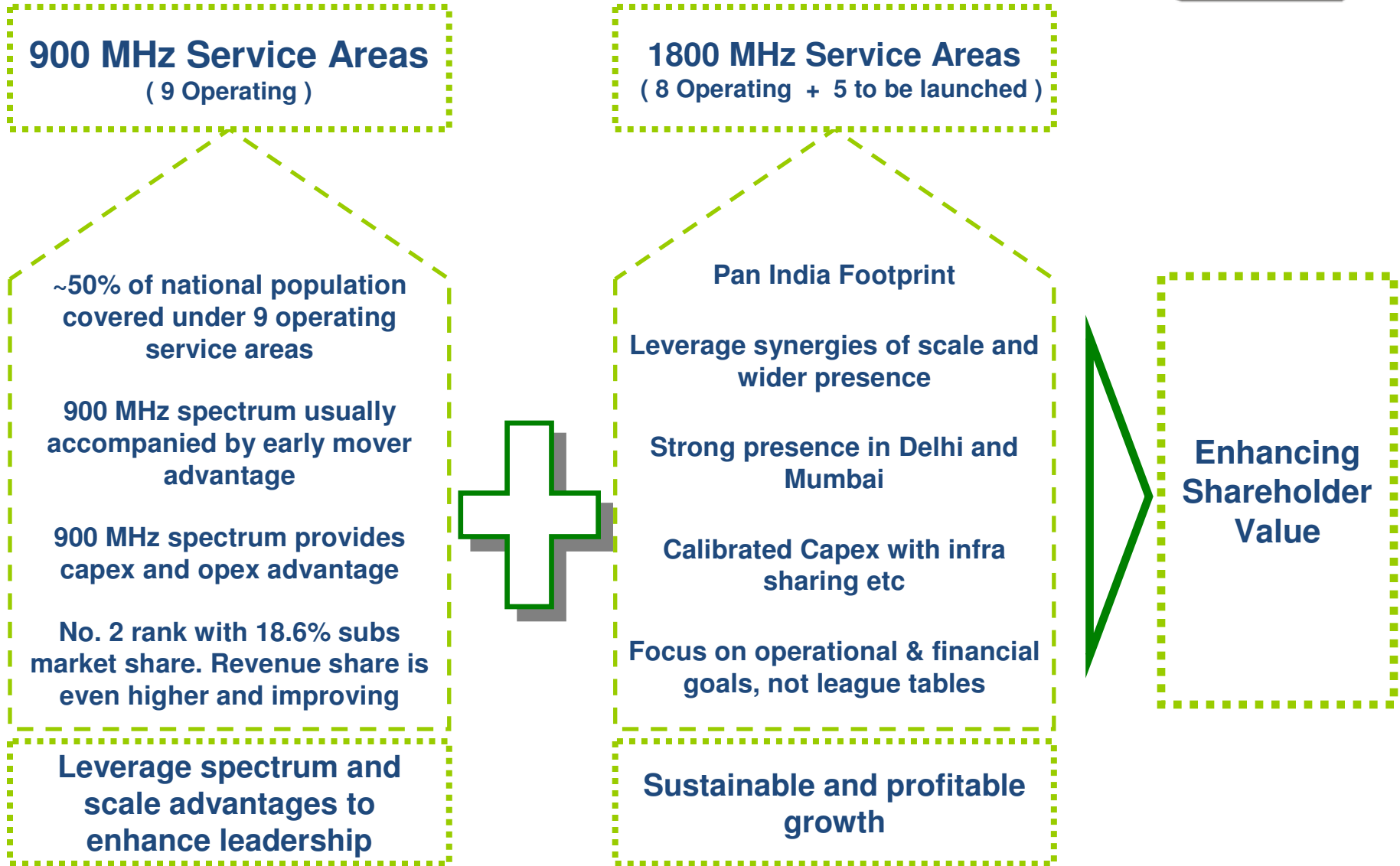
Subscribers (in mn) in Newly launched Service Areas\*



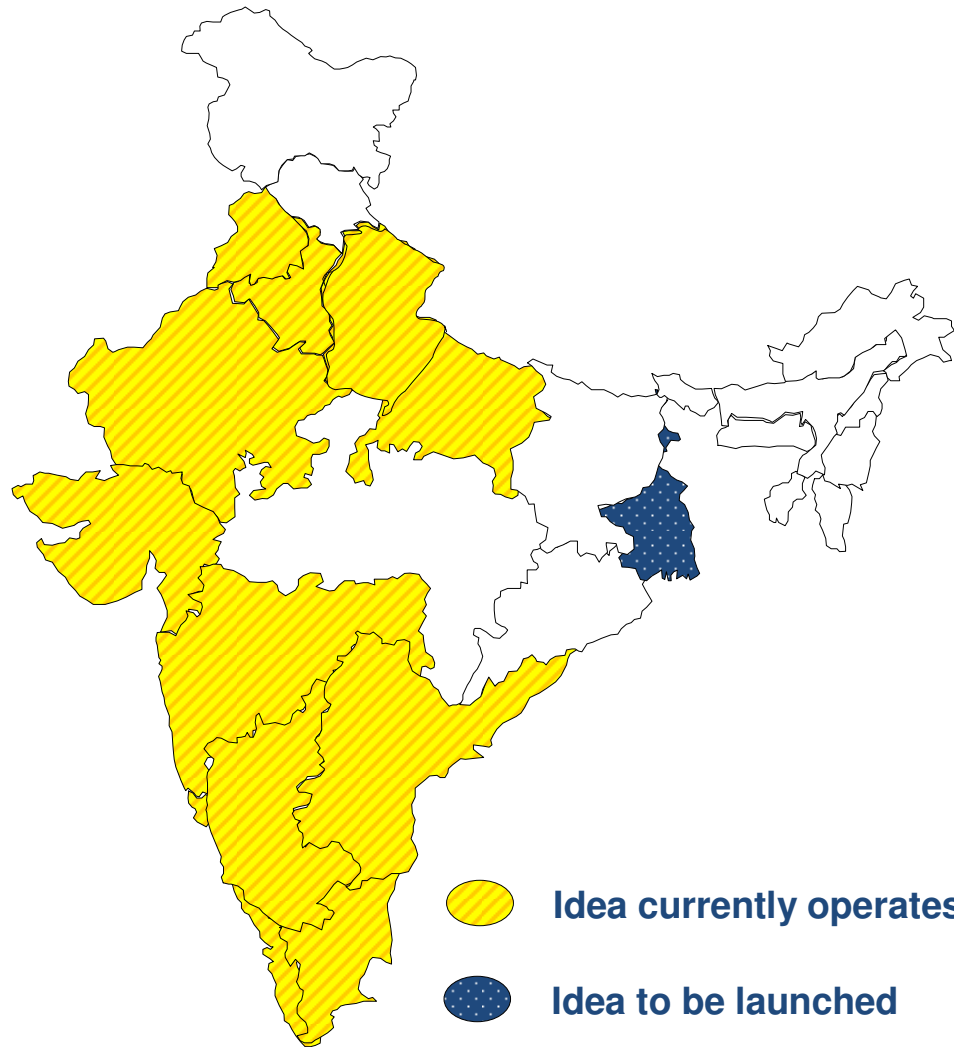
\*Source: COAI and AUSPI (as on 30 June'09)



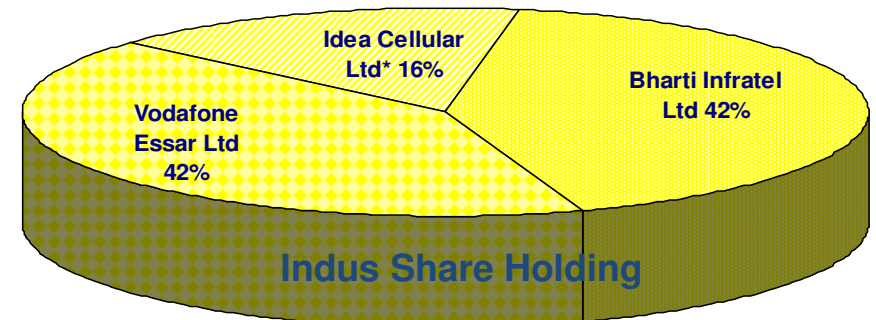
# Idea – Creating Long Term Shareholder Value



# The Indus Advantage

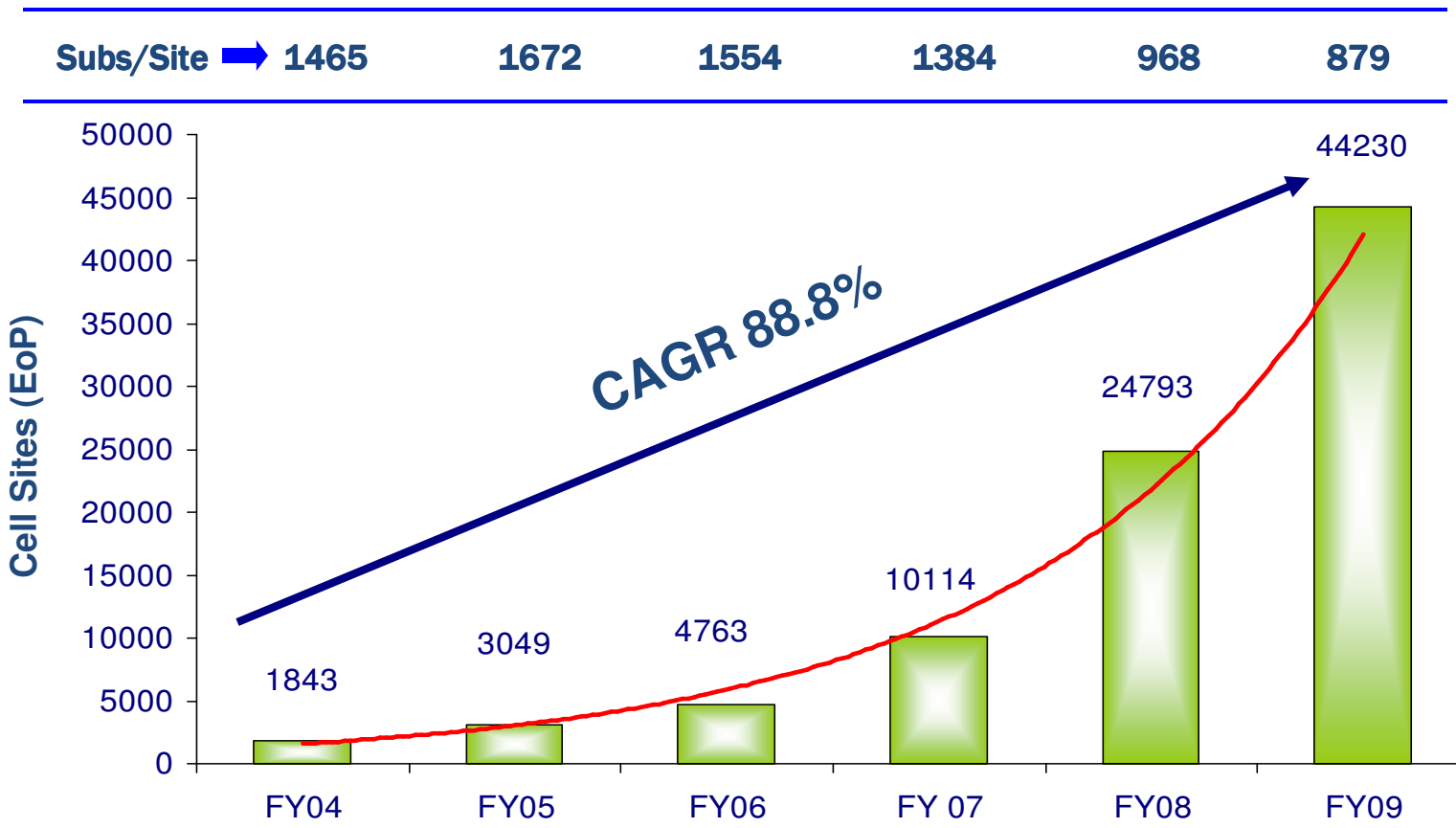


- Provides passive infrastructure services in 15 service areas
- Largest independent tower company in the world - ~ 100,000 towers under its management
- Indus benefits from assured tenancy from promoters, and from other operators
- Idea benefits by reduced capex, speed to market, and embedded value of shareholding



*\*through Aditya Birla Telecom Ltd.*

# Idea Has Quadrupled Capacities last 2 Years



- Added ~34000 sites in FY08 and FY09, representing 4.4x enhancement
- Built foundation for sustained growth; capex intensity to reduce in FY'10

Note : figures only for Idea, excluding Spice Comm.

# Strong Balance Sheet to Drive Strategic Intent



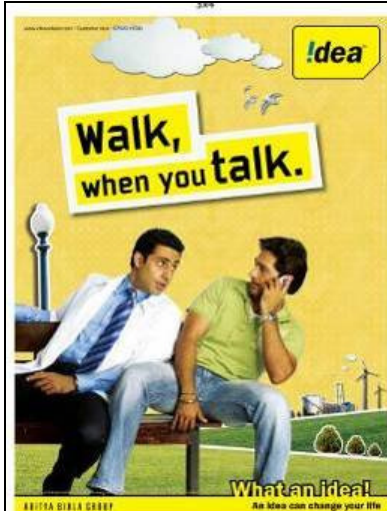
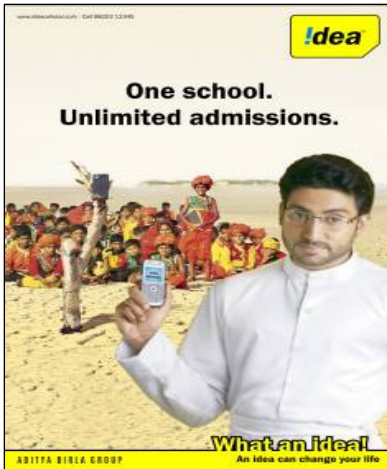
INR bn	Q2 FY08	Q3 FY08	Q4 FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10
<b>Balance Sheet</b>								
Gross debt	48.1	52.8	65.2	97.4	97.3	99.2	77.6	60.9
Cash & Cash equivalent	8.9	13.8	10.5	9.2	66.9	79.6	49.6	26.6
Net Debt	39.2	39.0	54.6	88.3	30.4	19.6	28.0	34.3
Net Worth	30.3	32.6	35.4	38.1	112.4	136.0	139.0	142.1
<b>Cash Flow</b>								
Cash Profit	4.5	4.9	5.5	5.7	4.6	6.2	6.9	7.3
<b>Leverage Ratios</b>								
Net Debt to Net Worth	1.29	1.20	1.54	2.32	0.27	0.14	0.20	0.24
Net Debt to Annualised EBITDA	1.58	1.71	2.03	3.06	1.25	0.72	0.94	1.11
ROCE	17.7%	17.4%	17.9%	14.7%	9.3%	8.9%	8.9%	9.0%

Note: figures are for Idea standalone including subsidiaries on a standalone basis.

# Idea – A Power Brand



No. 4 Buzziest Brand in India Across All Categories\*



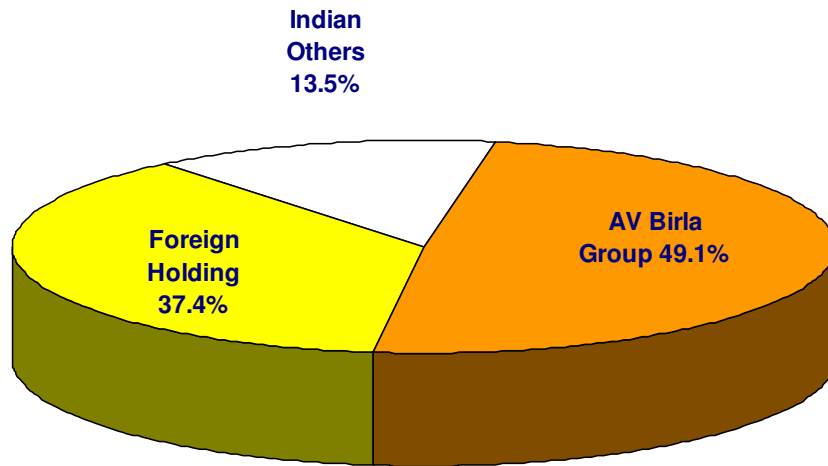
The TOP 25*				
	2009	2008	Brand	Voter %
1	◆	1	Airtel	46.7
2	●	-	Facebook	45.4
3	▲	6	Google	35.5
4	◆	4	<b>Idea</b>	<b>33.0</b>
5	◆	5	Nokia	31.5
6	▲	8	Tata	30.5
7	●	-	Vodafone	24.5
8	▼	7	The Times of India	24.4
9	●	-	Taj Group of Hotels	23.9
10	▼	2	Kingfisher	22.5
11	▼	3	Reliance	20.5
12	▼	10	ICICI	15.7
13	●	-	LIC	11.9
14	▲	31	HDFC	11.9
15	●	-	Virgin Mobile	11.7
16	▲	36	Asian Paints	10.9
17	▲	53	Lux	9.6
18	▲	21	Pepsi	6.3
19	▼	14	Cadbury	5.6
20	◆	20	Maruti Suzuki	5.3
21	▼	12	Coca Cola	4.8
22	▼	16	SBI	4.1
23	▼	9	Happydent	3.9
24	▲	37	LG	3.7
25	▼	13	HUL	3.6

▲ Moved Up ▼ Moved Down ◆ No Change ● New Entrant

\* Buzziest Brands of the Year Poll 2009

# Shareholding

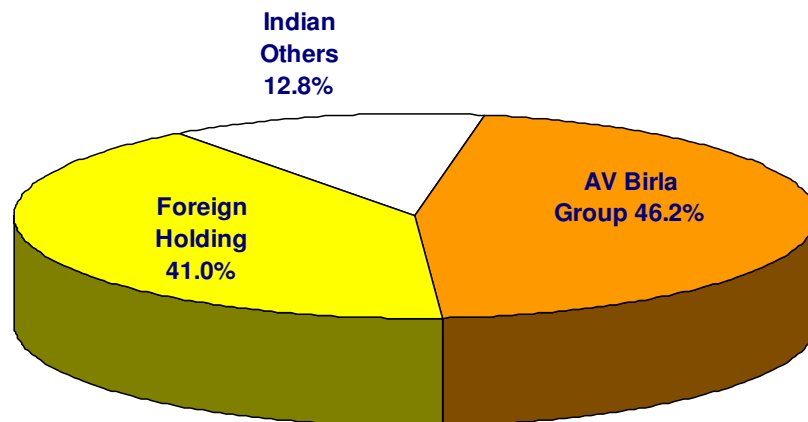
As on 30<sup>th</sup> June '09



## TOP 5 shareholders (excluding Promoters)

TMI MAURITITUS	15.0%
P5 ASIA INVESMENT	10.6%
MONET LIMITED	2.9%
BAJAJ ALLIANZ LIFE INSURANCE	1.7%
LIC OF INDIA MONEY PLUS	1.4%

## Post Spice merger\*



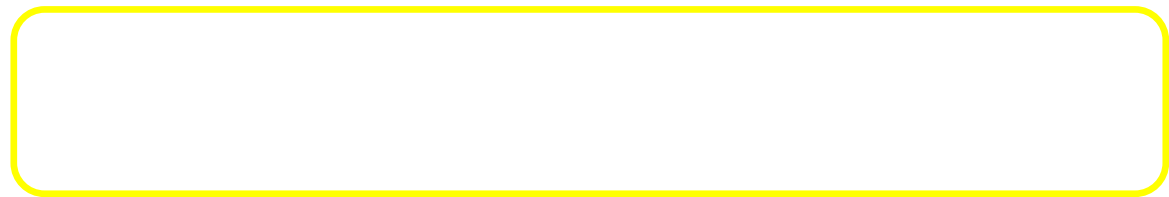
## TOP 5 shareholders (excluding Promoters)

TMI MAURITITUS	20.0%
P5 ASIA INVESMENT	10.0%
MONET LIMITED	2.7%
BAJAJ ALLIANZ LIFE INSURANCE	1.6%
LIC OF INDIA MONEY PLUS	1.3%

\* assuming no change in other shareholding



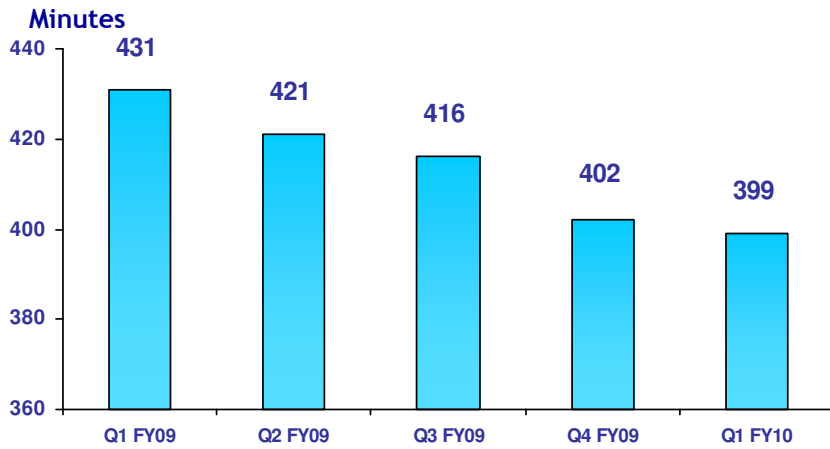
**Appendix**



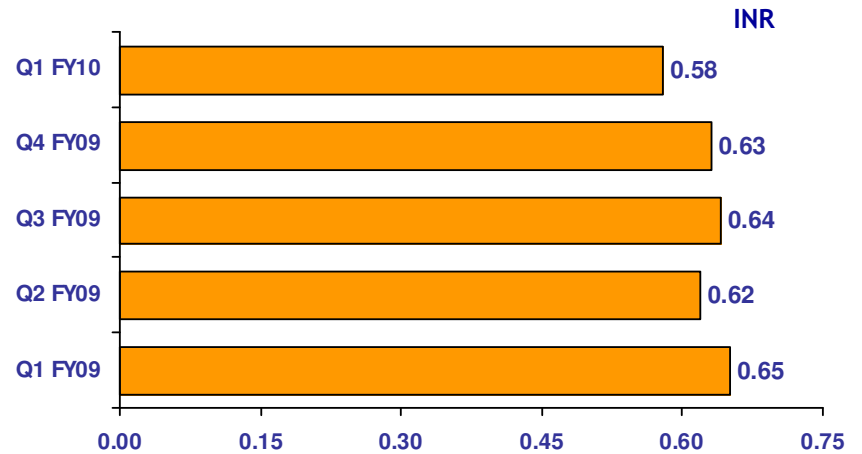
# Key Trends (Idea)



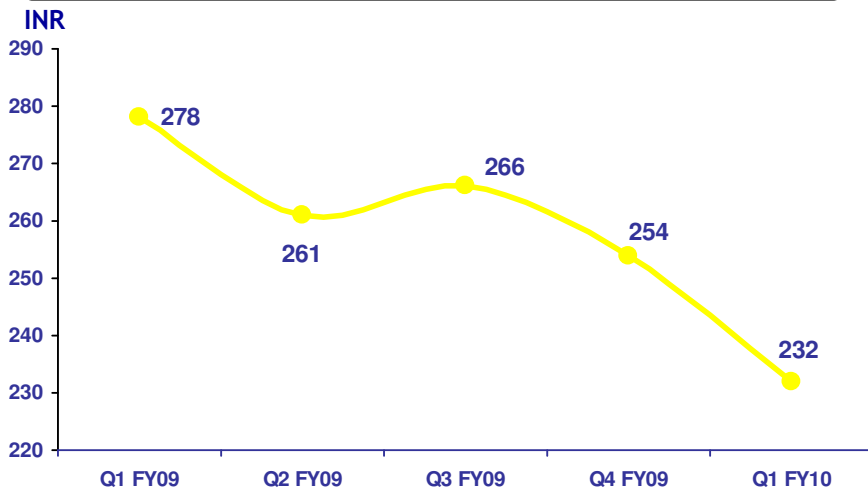
Minutes of use per user per month



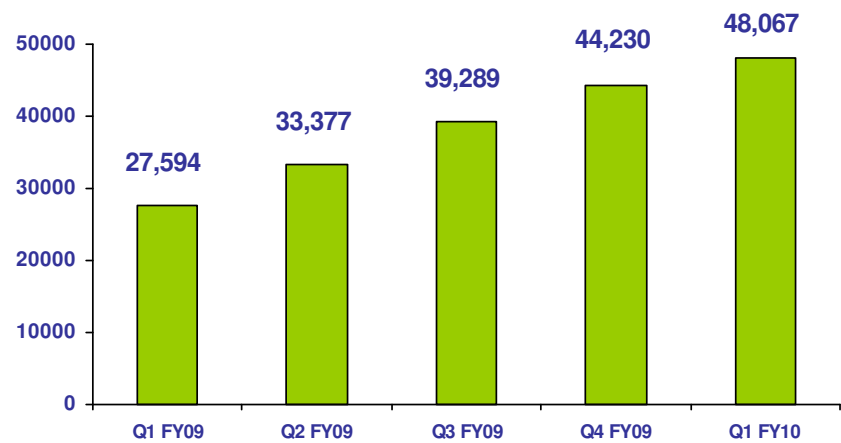
Realized rate per minute



Average revenue per user per month



EoP Cell Sites (QoQ)

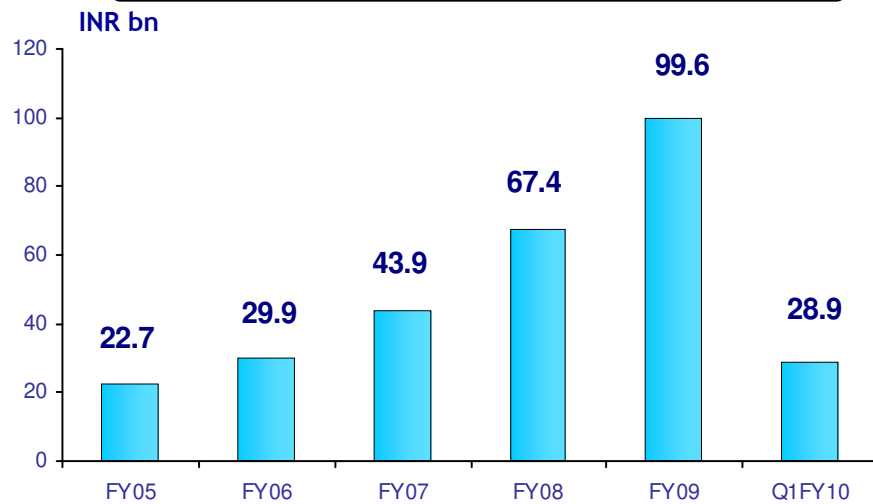




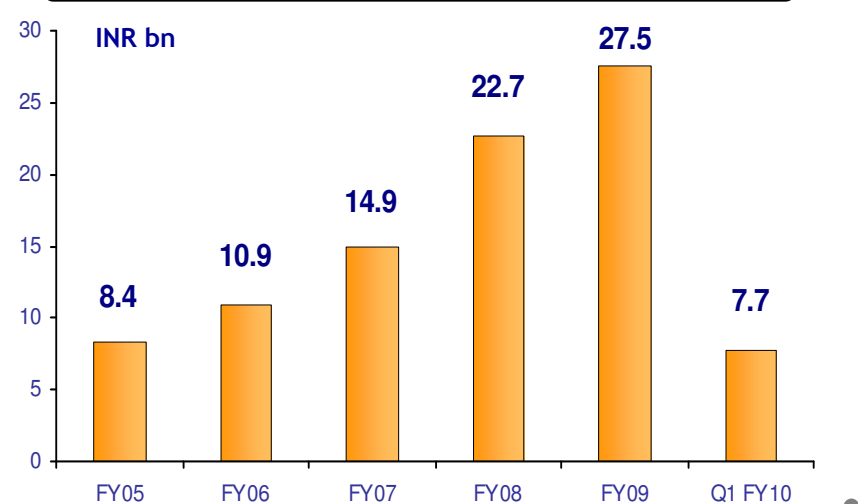
# Financial Matrix (Idea)



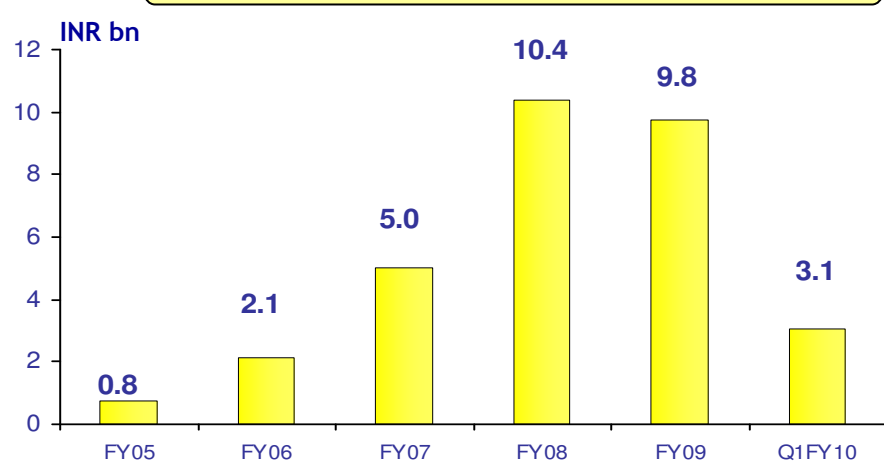
**Robust Growth in Top Line**



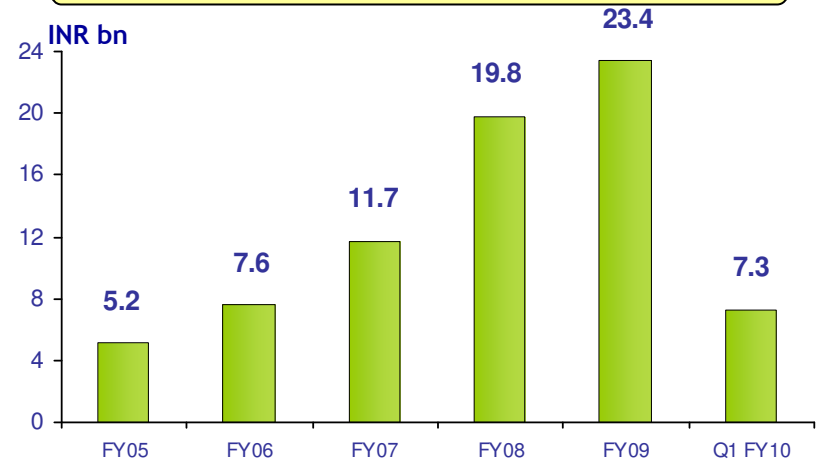
**Robust Growth in EBITDA**



**Robust Growth in Net Profits**



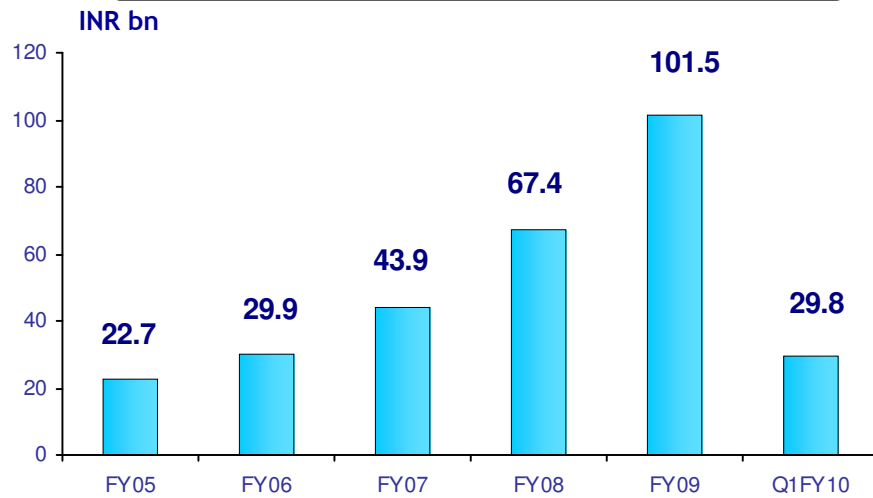
**Robust Growth in Cash Profits**



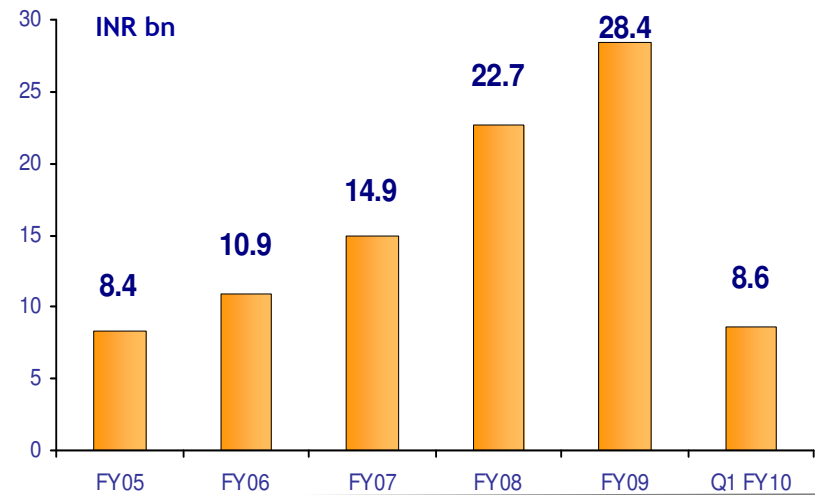
# Financial Matrix (Consolidated)



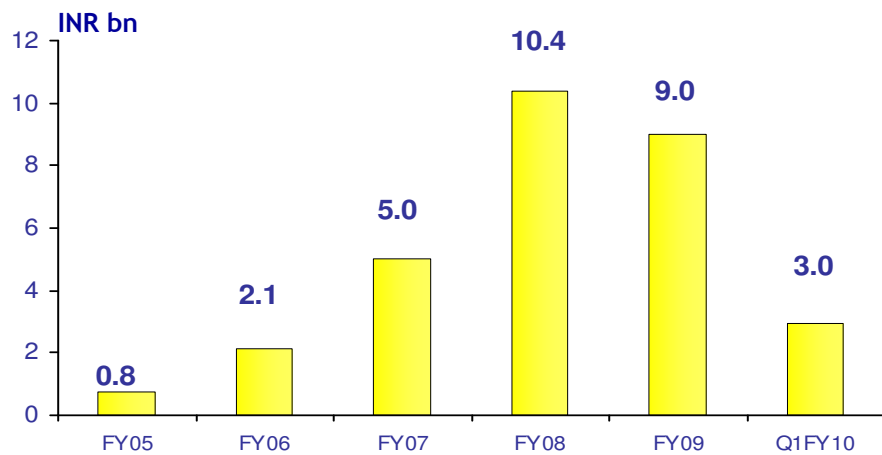
**Robust Growth in Top Line**



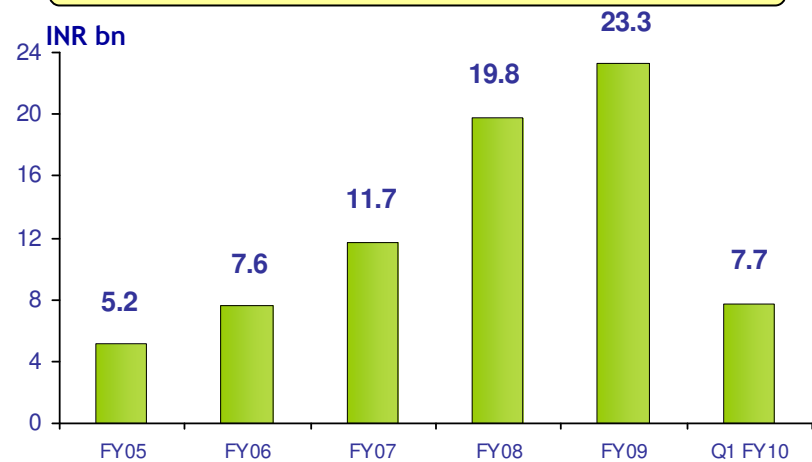
**Robust Growth in EBITDA**



**Robust Growth in Net Profits**



**Robust Growth in Cash Profits**



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**Thank You**