



# Idea Cellular Limited

## Investor Presentation

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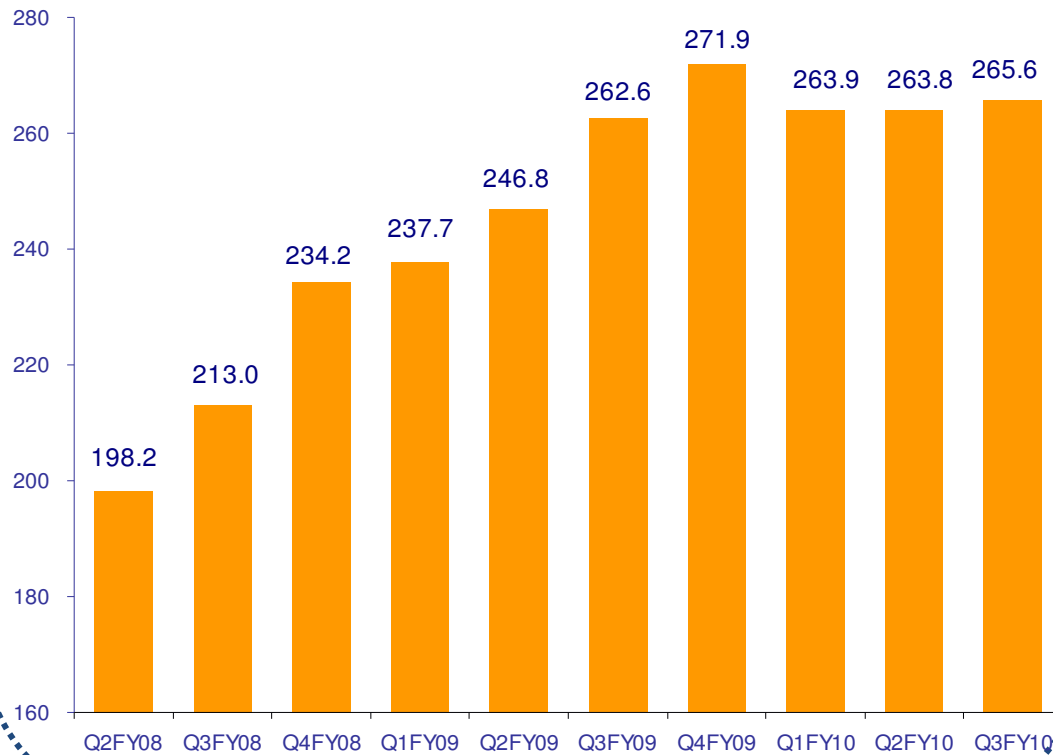
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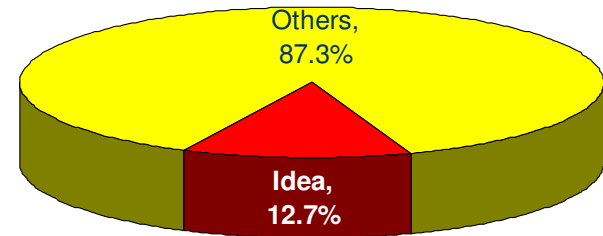
# Indian Wireless Sector – Revenue Trend



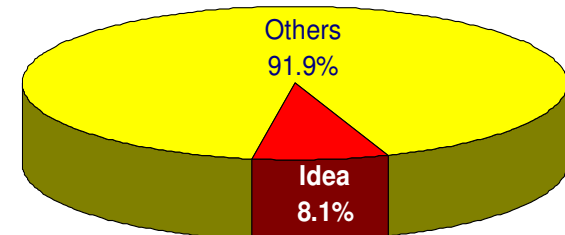
Sector Gross Revenue# (INR bn)



Idea - Increase in Revenue Market Share



Q3 FY10\*

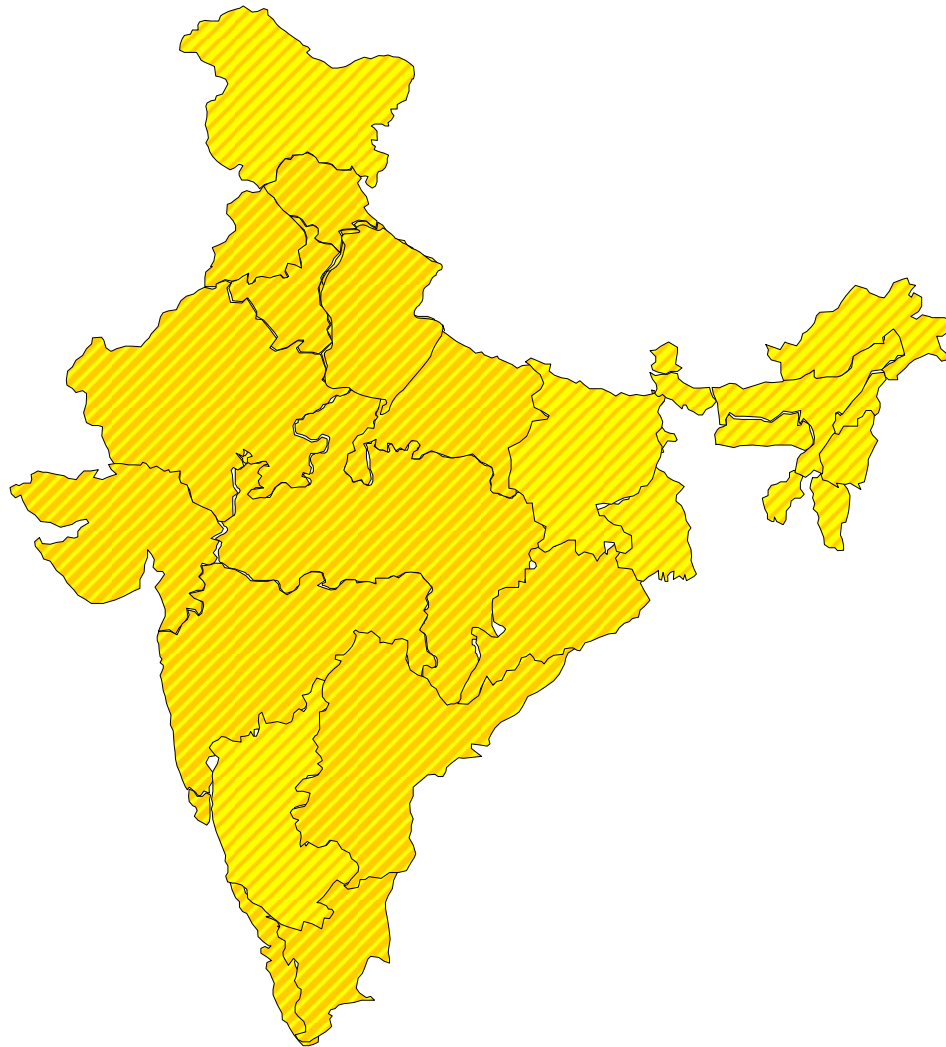


Q2 FY08

\*including Spice comm.

# Source: Data released by the TRAI for Dec'09 quarter; revenue for UAS and Mobile licenses only

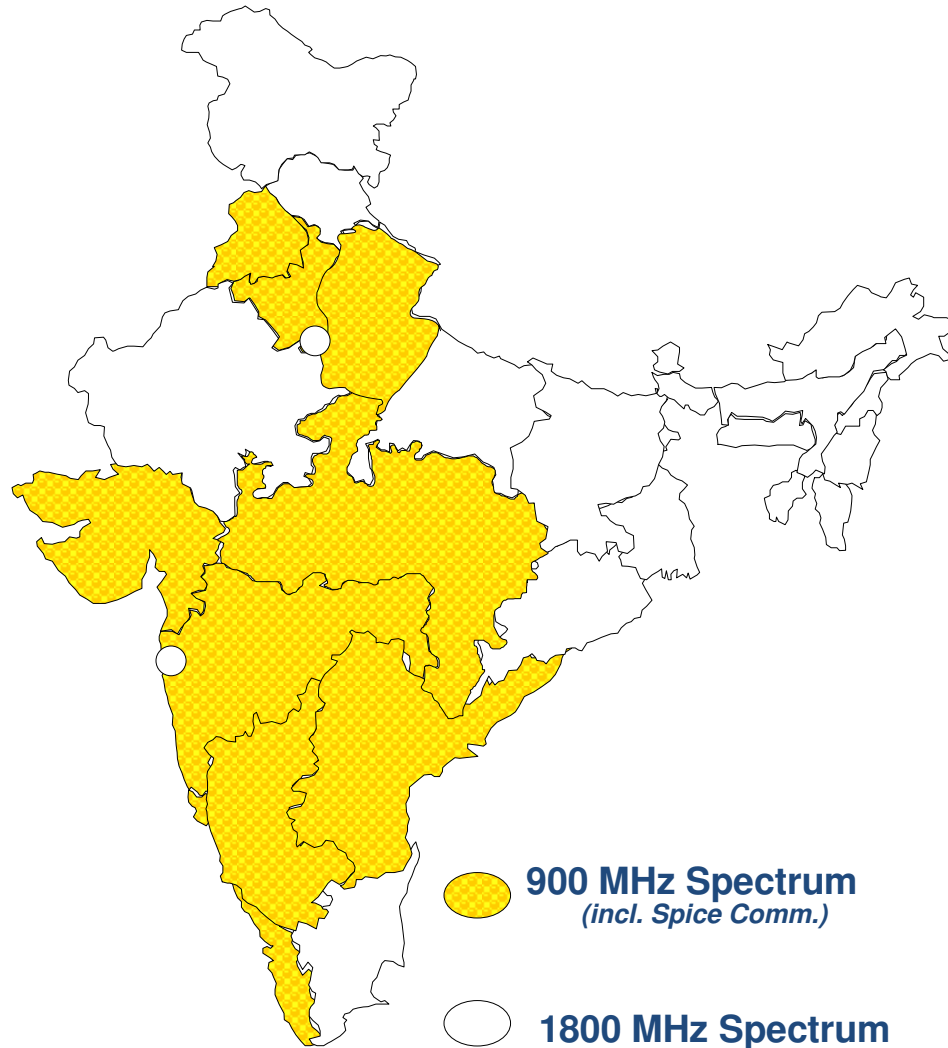
# Idea – An Overview



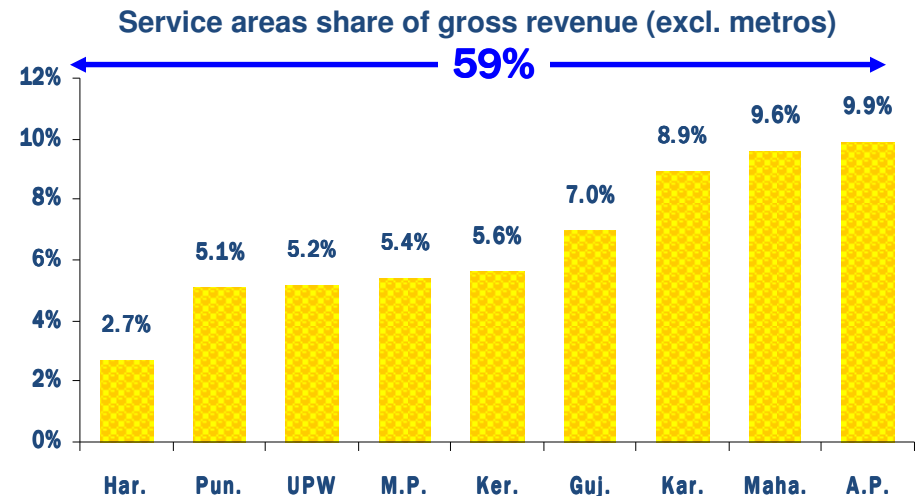
- Operates on a pan India basis (including Spice)
- 57.6 mn subscribers as on Dec'09
- Launched 7 service areas in last 9 months

S. No.	Service Area	Launch Month
1.	Orissa	Apr'09
2.	Tamil Nadu	May'09
3.	Jammu & Kashmir	Oct'09
4.	West Bengal	Oct'09
5.	Kolkata	Oct'09
6.	Assam	Nov'09
7.	North East	Dec'09

# Competitiveness Lever 1 - Spectrum

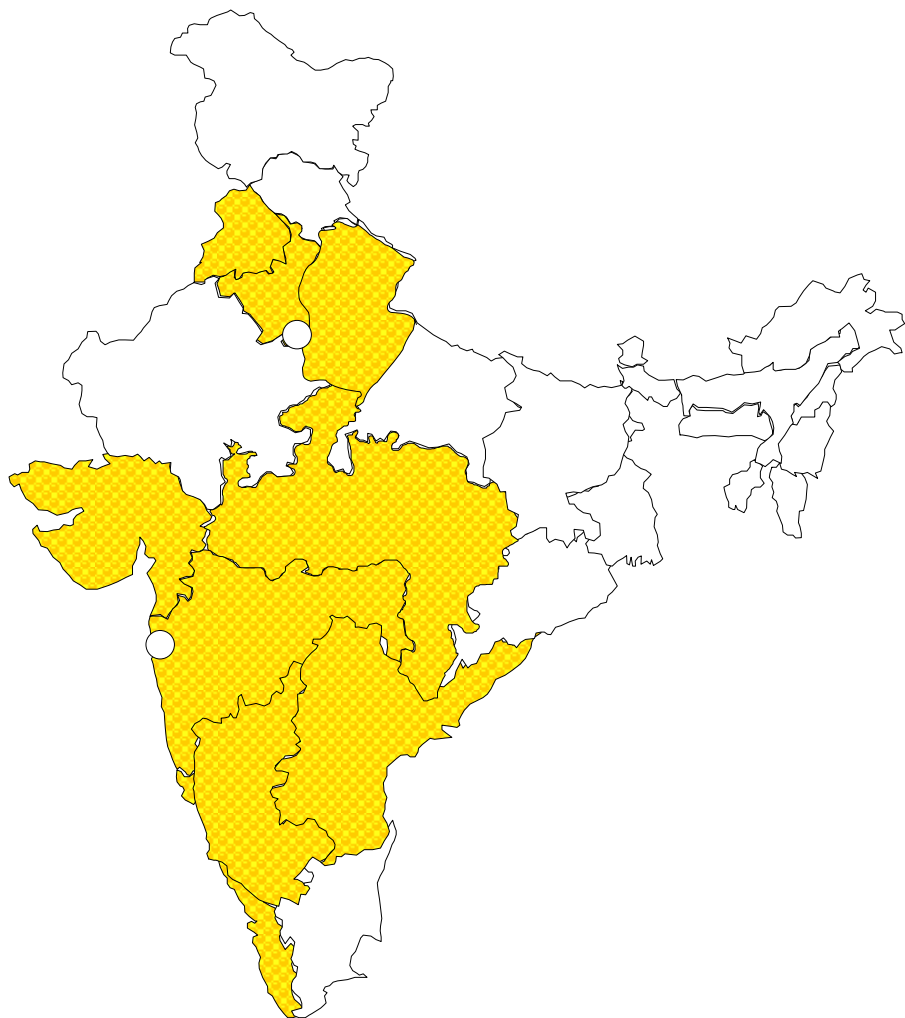


- 900 MHz spectrum band provides capex/opex advantage, compared to 1800 MHz
- 900 MHz spectrum also accompanied by early mover advantage
- Idea holds 900 MHz spectrum in 9 service areas
  - ~ 48% of gross revenue base (total)
  - ~ 59% of gross revenue base (excluding metros)
- Idea's spectrum profile is very attractive across all private operators



# Source: Data released by the TRAI for Dec'09 quarter; revenue for UAS and Mobile licenses only

# Competitiveness Lever 2 - Scale



Service Area (900 MHz)	Revenue Mkt Share <sup>1</sup> (RMS)	Rank <sup>2</sup>
Kerala	28.6%	1
Maharashtra	28.5%	1
UP (W)	28.3%	1
M.P.	27.8%	2
Haryana	19.7%	2
Punjab	17.6%	2
A.P	17.2%	2
Gujarat	18.7%	3
Karnataka	6.8%	6
<b>Total</b>	<b>20.8%</b>	<b>2</b>

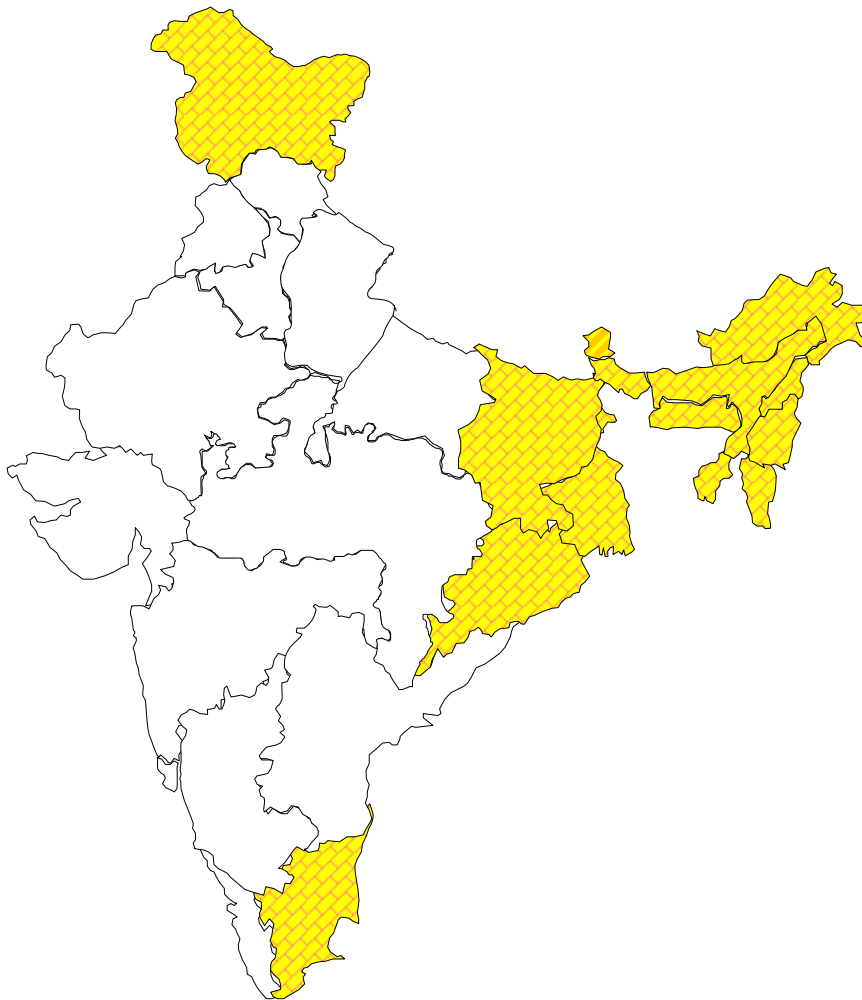
<sup>1</sup> Based on gross revenues for Dec'09 quarter, as released by TRAI

<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) quality of spectrum and b) scale of operations

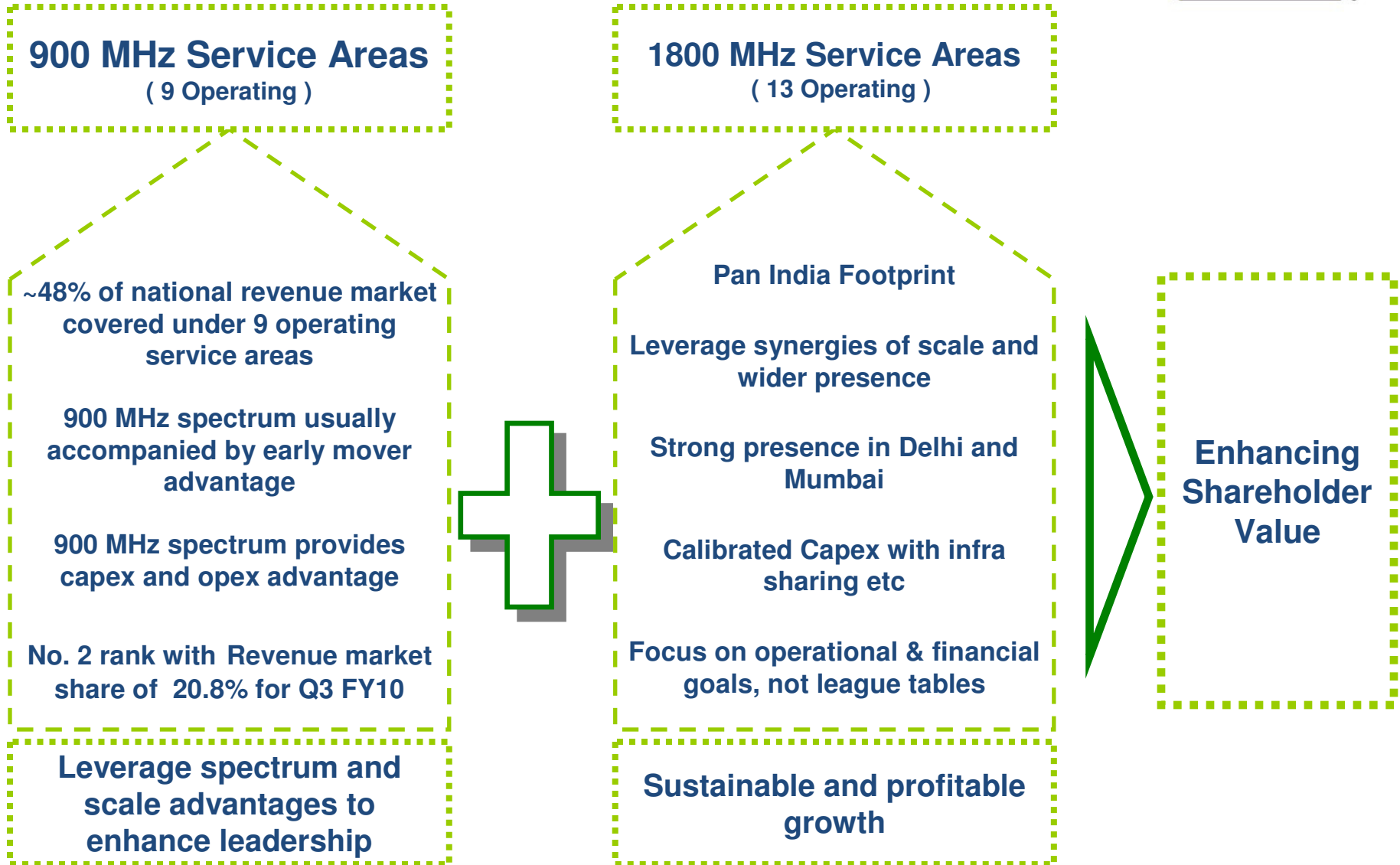
# 1800 MHz New Launches

## Focus On Optimisation, Not Maximisation



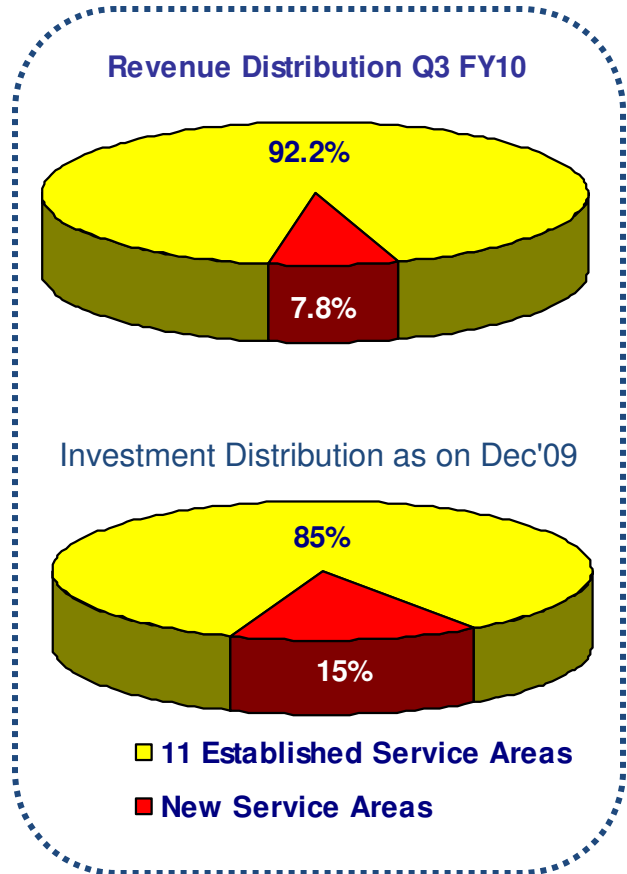
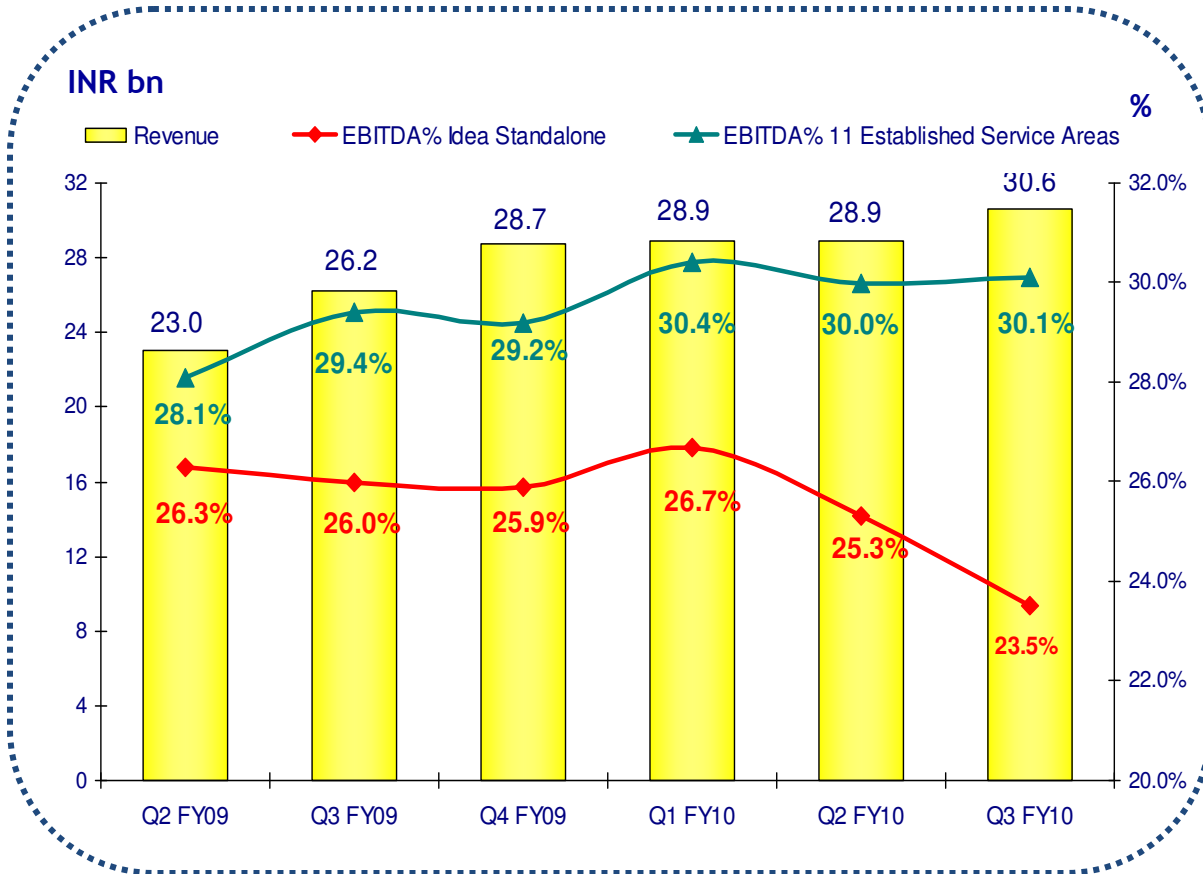
- Leverage synergies of pan India operations i.e. roaming, NLD, ad spend, common network elements, etc.
- Infra sharing to reduce capex, and time to market
- Focus on operational and financial goals, not league tables

# Idea – Creating Long Term Shareholder Value





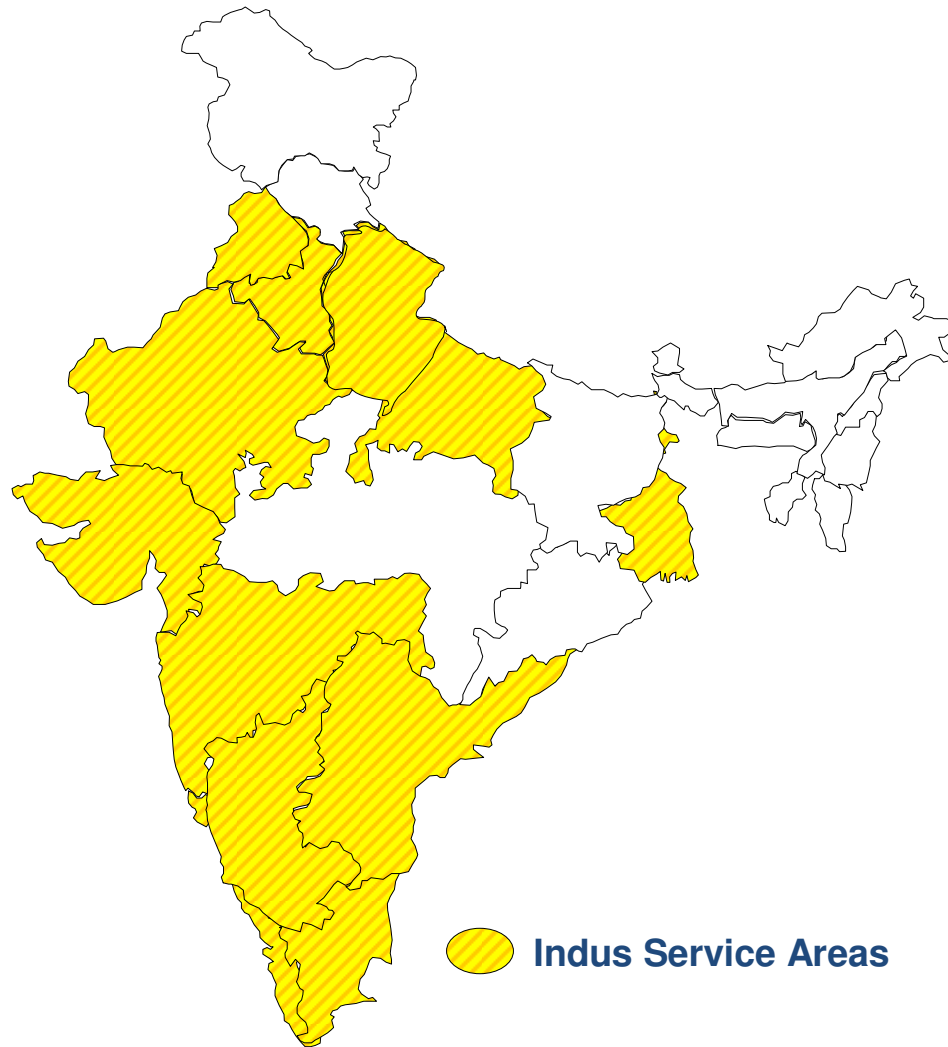
# Strong Financial Performance



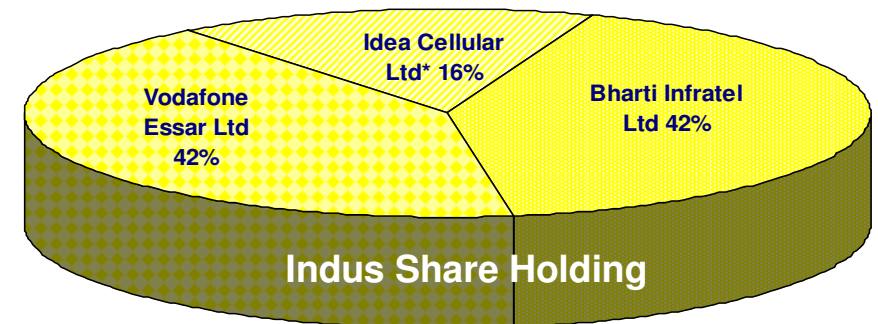
- Launched Mumbai, Bihar, Orissa, Tamil Nadu, J&K, West Bengal, Kolkata, Assam and North East service areas in last 6 quarters.
- EBITDA % drop of 2.8% over last 5 quarters, after absorbing start-up losses of 9 new launches, ARR reduction and Indus impact
- EBITDA % of 11 service areas has improved by 2.0%, over last 5 quarters

# Figures for Idea including its 100% subsidiaries and excluding Spice and Indus.

# The Indus Advantage



- Provides passive infrastructure services in 15 service areas
- Largest independent tower company in the world - ~ 103,000 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.*

# Strong Balance Sheet to Drive Strategic Intent

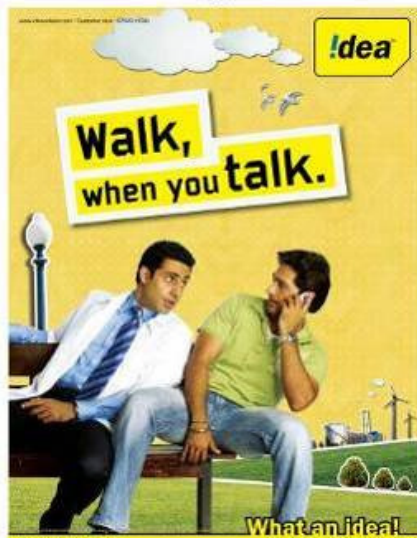


INR bn	Q4 FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10	Q2 FY10	Q3 FY10
<b>Balance Sheet <sup>1</sup></b>								
Gross debt	65.2	97.4	97.3	99.2	77.6	60.9	59.2	57.5
Cash & Cash equivalent	10.5	9.2	66.9	79.6	49.6	26.6	23.1	20.0
Net Debt	54.6	88.3	30.4	19.6	28.0	34.3	36.1	37.5
Net Worth	35.4	38.1	107.0	130.6	133.4	136.5	139.0	141.2
<b>Cash Profit <sup>1</sup></b>	5.5	5.7	4.6	6.2	6.9	7.3	7.1	7.0
<b>Financial Ratios <sup>1</sup></b>								
Net Debt to Net Worth	1.54	2.32	0.28	0.15	0.21	0.25	0.26	0.27
Net Debt to Annualised EBITDA	2.03	3.06	1.25	0.72	0.94	1.11	1.23	1.30
Price to Earning <sup>2</sup>	24.5	23.3	38.9	15.9	13.7	18.0	23.3	23.0
Price to Cash Earning <sup>2</sup>	12.3	10.9	12.7	6.6	5.6	7.6	8.3	6.4
ROCE	17.9%	14.7%	9.4%	9.1%	8.8%	9.3%	7.7%	6.4%

<sup>1</sup> Figures for Idea including its 100% subsidiaries and excluding Spice and Indus.

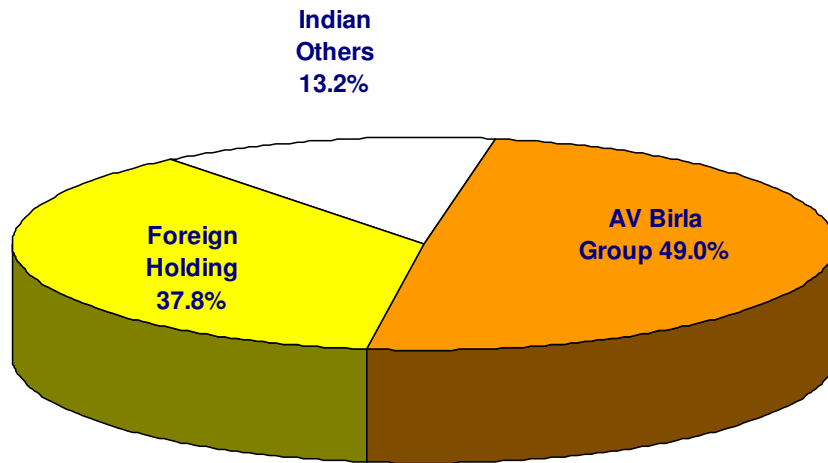
<sup>2</sup> Price to Earning/Cash Earning is based on annualised PAT/ Cash profit and closing price of respective quarter

# Idea – A Power Brand



# Shareholding

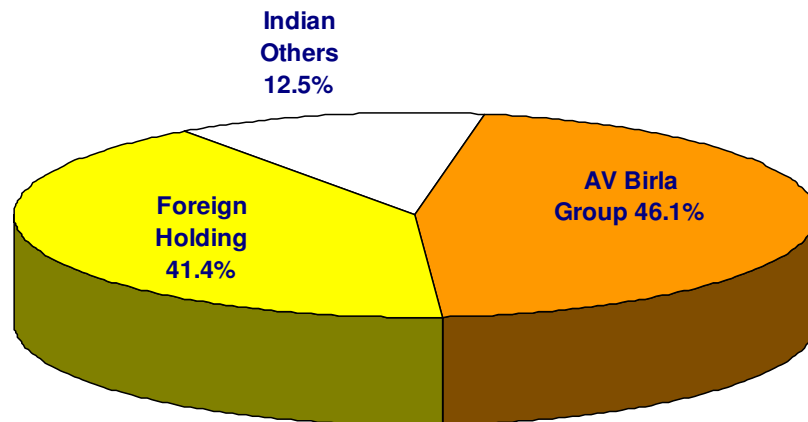
As on 31<sup>st</sup> Dec'09



## TOP 5 shareholders (excluding Promoters)

TMI MAURITITUS	15.0%
P5 ASIA INVESMENT	10.6%
MONET LIMITED	2.9%
BAJAJ ALLIANZ LIFE INSURANCE	2.0%
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	1.9%
LIC OF INDIA MONEY PLUS	1.3%

\* assuming no change in other shareholding



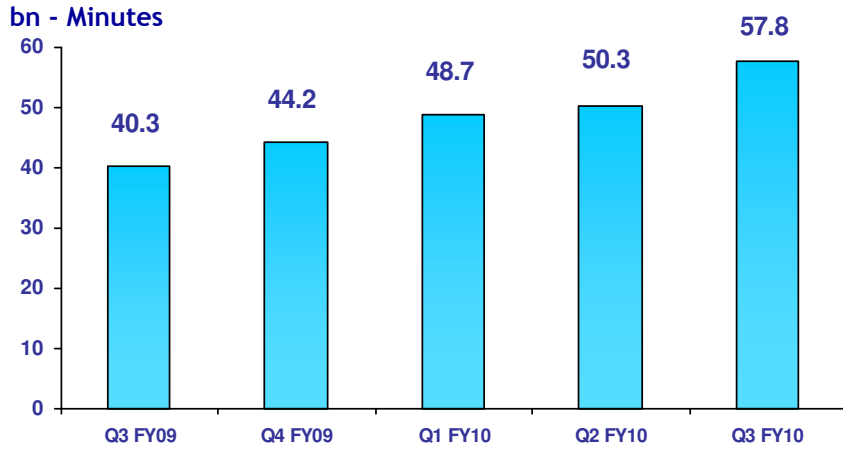
**Appendix**



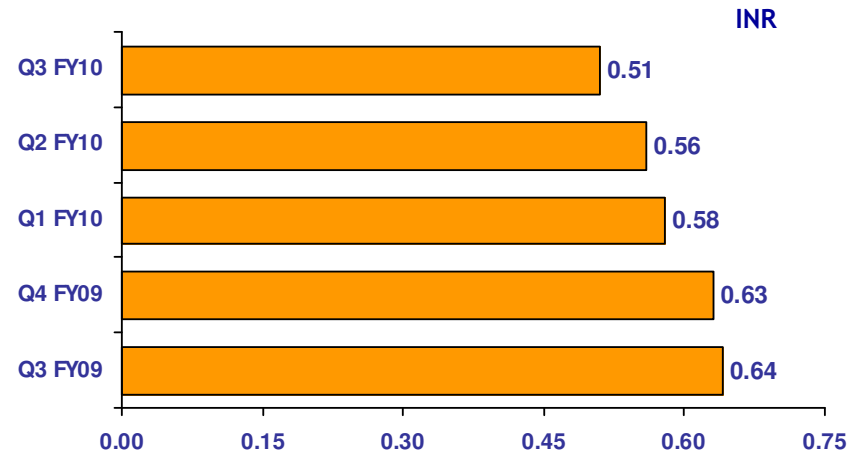
# Key Trends (Idea)



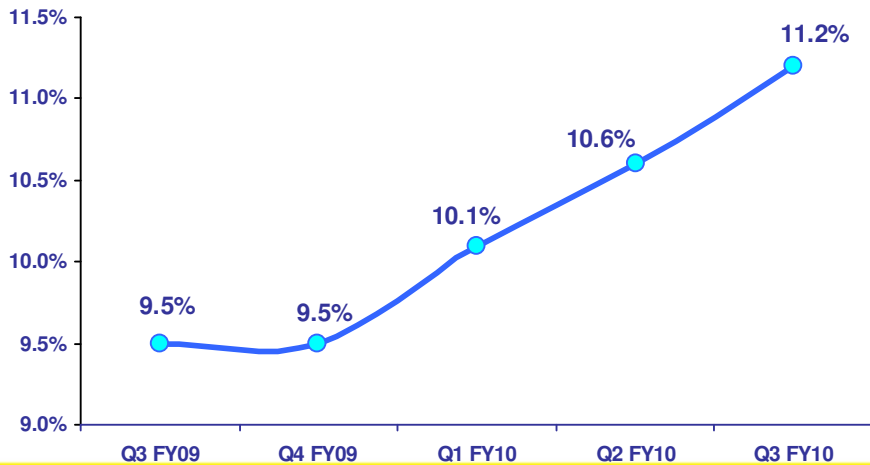
**Minutes of use on Network (QoQ)**



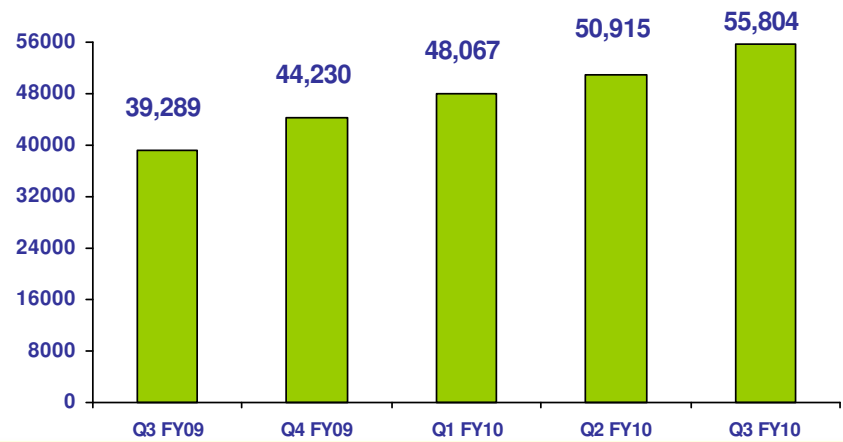
**Realized rate per minute**



**VAS as a % of Revenue**



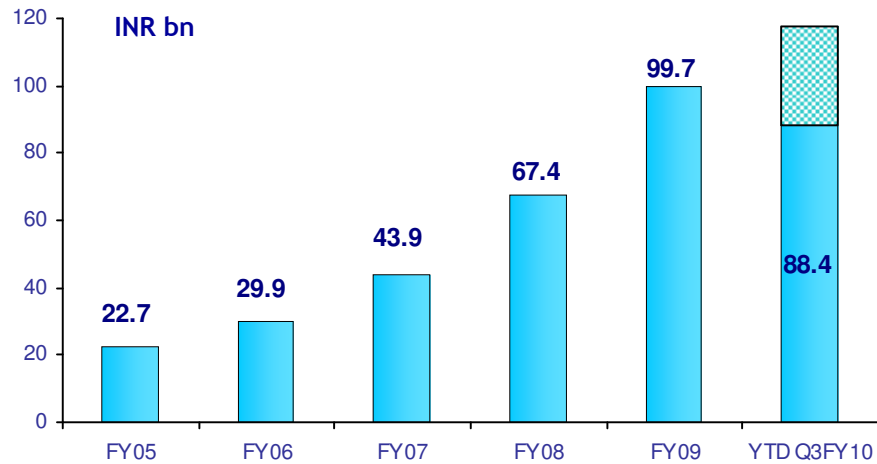
**Cell Sites**



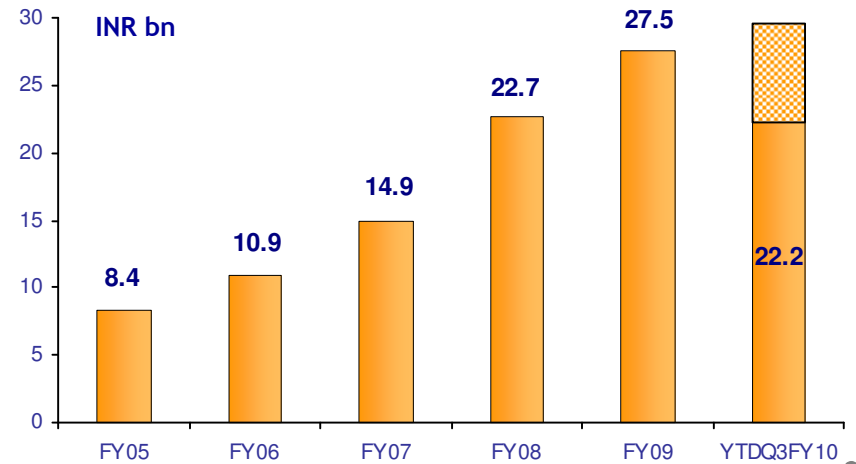
# Financial Matrix (Idea)



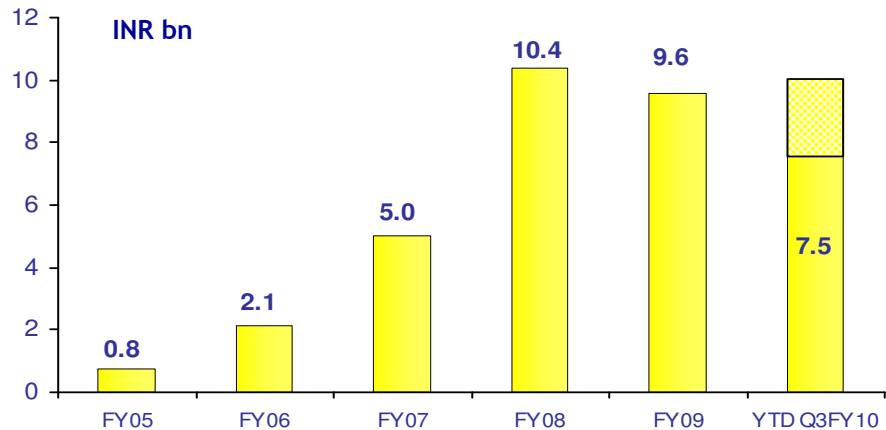
**Robust Growth in Top Line**



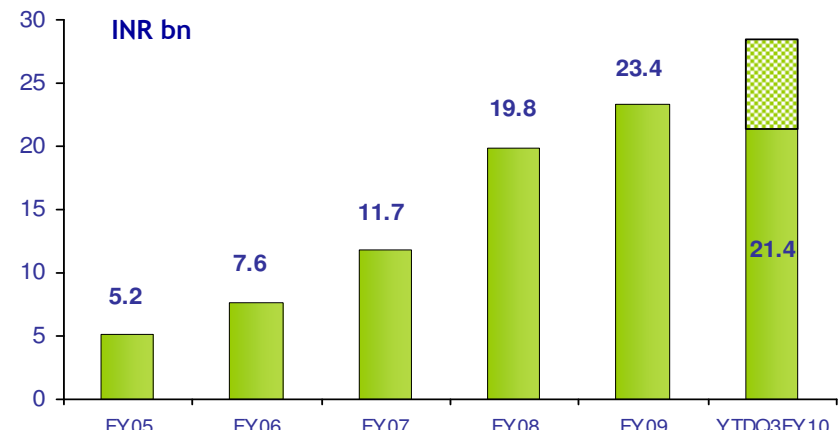
**Robust Growth in EBITDA**



**Robust Growth in Net Profits**



**Robust Growth in Cash Profits**



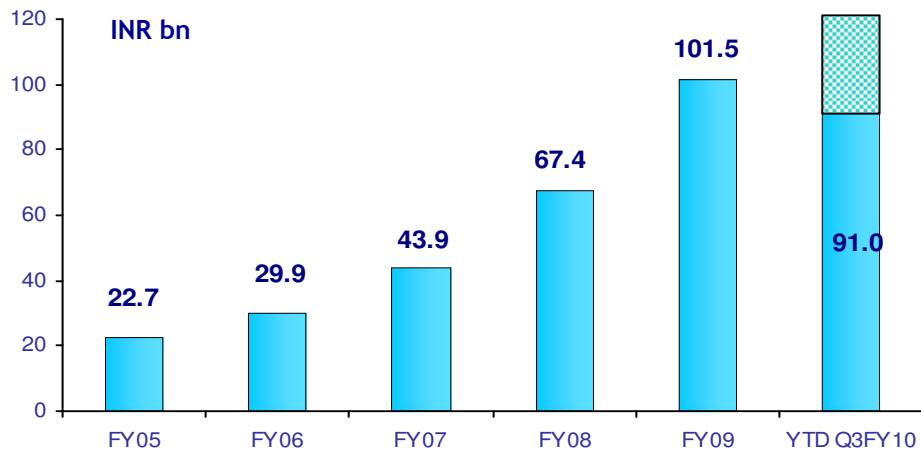
■ Represents annualised trend based on 9 months actual figures



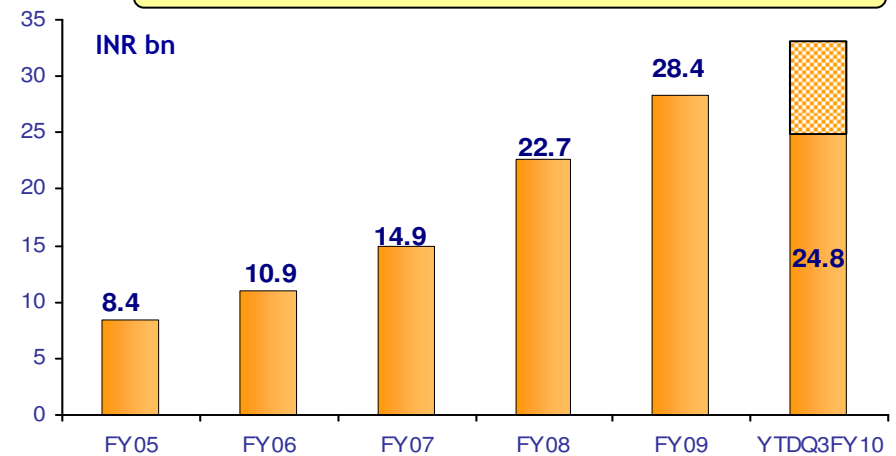
# Financial Matrix (Consolidated)



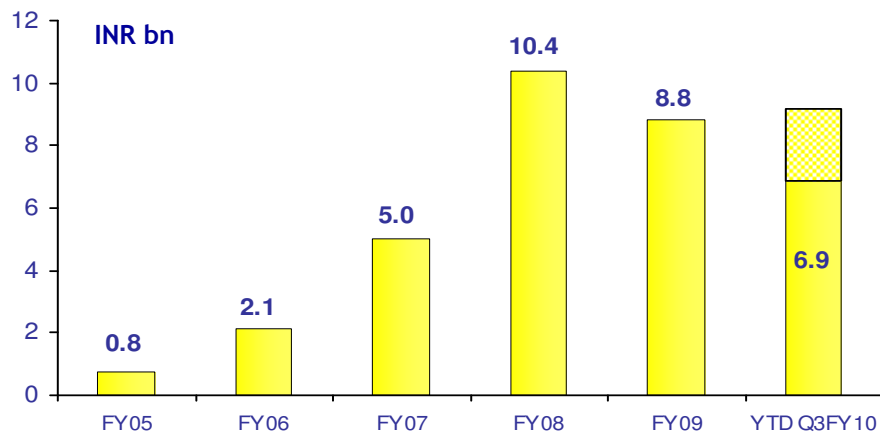
**Robust Growth in Top Line**



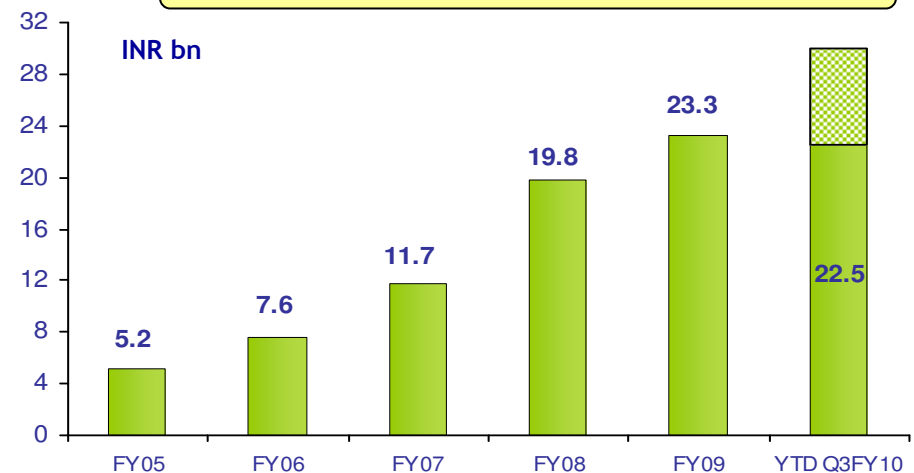
**Robust Growth in EBITDA**



**Robust Growth in Net Profits**



**Robust Growth in Cash Profits**



■ Represents annualised trend based on 9 months actual figures



**Thank You**