



Idea Cellular Limited

Telecom Analyst Meet, Mumbai

27th June 2016



Presentation Segments



- ❖ **Industry & Idea Snapshot**
- ❖ **Mobile Voice Segment**
- ❖ **Mobile Data Segment**
- ❖ **Idea – Beyond mobility!**
- ❖ **Spectrum Landscape**
- ❖ **Idea – Consistent Performance on back of key strengths**



Industry & Idea Snapshot

Idea gaining amongst the highest incremental subscriber Net Adds share over last 4 years



| In Million | FY12 | FY13 | FY14 | FY15 | FY16 |
|--------------------|-------|-------|-------|-------|-------|
| Industry EoP VLR | 682.9 | 723.0 | 790.9 | 862.6 | 936.5 |
| Industry Incr. VLR | 112.0 | 40.0 | 67.9 | 71.8 | 73.8 |
| Idea EoP VLR | 105.3 | 120.2 | 137.9 | 161.4 | 183.9 |
| Idea Incr. VLR | 22.0 | 14.9 | 17.7 | 23.5 | 22.5 |
| Idea EoP VLR MS | 15.4% | 16.6% | 17.4% | 18.7% | 19.6% |
| Idea Incr. VLR MS | 19.6% | 37.2% | 26.0% | 32.8% | 30.5% |

| Operator | EoP VLR (Mn.) | | | EoP VLR Share | | | EoP VLR Share change | | Net Adds | | Net Adds Share | | iCMS - CMS |
|--------------|---------------|--------------|--------------|---------------|---------------|---------------|----------------------|-------------|--------------|-------------|----------------|---------------|-------------|
| | FY12 | FY15 | FY16 | FY12 | FY15 | FY16 | 4 years | 1 year | 4 years | 1 year | 4 years | 1 year | Avg 4 yrs |
| Idea | 105.3 | 161.4 | 183.9 | 15.4% | 18.7% | 19.6% | 4.2% | 0.9% | 78.6 | 22.5 | 31.0% | 30.5% | 11.4% |
| Bharti | 166.3 | 215.9 | 245.4 | 24.3% | 25.0% | 26.2% | 1.9% | 1.2% | 79.1 | 29.5 | 31.2% | 39.9% | 5.0% |
| Voda | 133.5 | 175.1 | 190.9 | 19.5% | 20.3% | 20.4% | 0.8% | 0.1% | 57.4 | 15.8 | 22.6% | 21.5% | 2.3% |
| Rest of Ind. | 277.8 | 310.3 | 316.3 | 40.7% | 36.0% | 33.8% | -6.9% | -2.2% | 38.4 | 6.0 | 15.2% | 8.1% | -18.6% |
| RCom | 100.8 | 106.9 | 92.2 | 14.8% | 12.4% | 9.8% | -4.9% | -2.5% | -8.7 | -14.7 | -3.4% | -19.9% | -13.3% |
| Aircel | 36.5 | 53.9 | 63.3 | 5.3% | 6.2% | 6.8% | 1.4% | 0.5% | 26.8 | 9.4 | 10.6% | 12.7% | 3.8% |
| Tata | 47.4 | 47.2 | 48.3 | 6.9% | 5.5% | 5.2% | -1.8% | -0.3% | 0.9 | 1.1 | 0.3% | 1.5% | -4.8% |
| Uninor | 24.3 | 33.8 | 38.6 | 3.6% | 3.9% | 4.1% | 0.6% | 0.2% | 14.4 | 4.9 | 5.7% | 6.6% | 1.5% |
| Others | 68.9 | 68.5 | 73.9 | 10.1% | 7.9% | 7.9% | -2.2% | -0.1% | 5.1 | 5.4 | 2.0% | 7.3% | -5.9% |
| Total | 682.9 | 862.6 | 936.5 | 100.0% | 100.0% | 100.0% | 0.0% | 0.0% | 253.5 | 73.8 | 100.0% | 100.0% | 0.0% |
| No. 2 Gap | 28.2 | 13.7 | 7.0 | 4.1% | 1.6% | 0.7% | | | | | | | |

Idea – The fastest growing Indian Telco for straight 8 years

A Clear #2 in Incremental Revenue Market Share



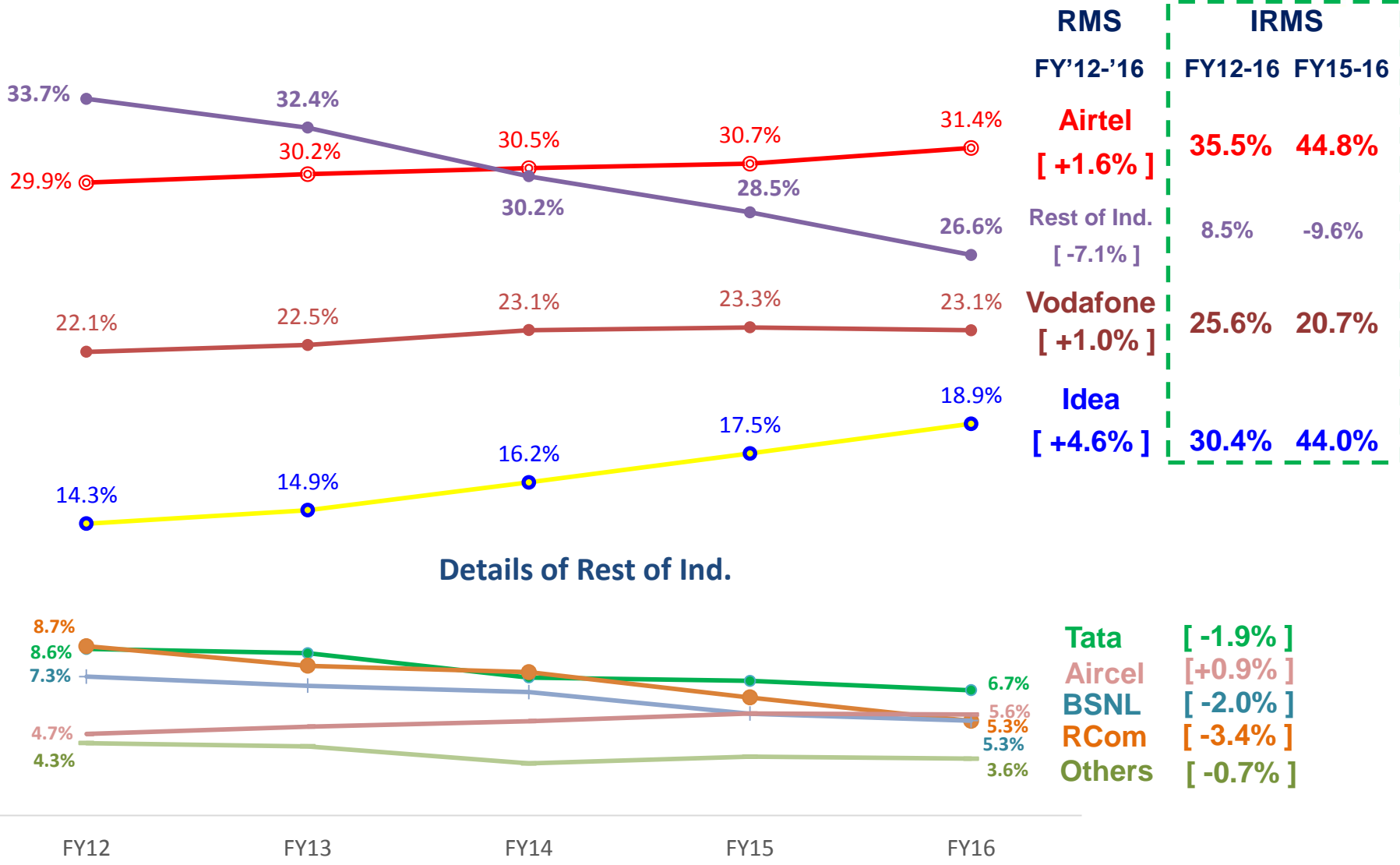
| In Rs. Cr. | FY12 | FY13 | FY14 | FY15 | FY16 |
|------------------------|----------|----------|----------|----------|----------|
| Industry Gross Revenue | 1,38,445 | 1,51,234 | 1,65,335 | 1,83,161 | 1,93,008 |
| Industry Incr. Revenue | 18,600 | 12,789 | 14,101 | 17,827 | 9,847 |
| Industry Growth % | 15.5% | 9.2% | 9.3% | 10.8% | 5.4% |
| Idea Gross Revenue | 19,813 | 22,571 | 26,770 | 32,074 | 36,409 |
| Idea Incr. Revenue | 3,993 | 2,758 | 4,199 | 5,304 | 4,335 |
| Idea Growth % | 25.2% | 13.9% | 18.6% | 19.8% | 13.5% |
| Idea RMS (%) | 14.3% | 14.9% | 16.2% | 17.5% | 18.9% |
| Idea Incr. RMS (%) | 21.5% | 21.6% | 29.8% | 29.8% | 44.0% |

| Operator | Revenue (in Rs. Bn) | | | RMS (%) | | | Revenue Growth (%) | | Incr. RMS | | iRMS - RMS |
|--------------|---------------------|--------------|--------------|---------------|---------------|---------------|--------------------|-------------|---------------|---------------|-------------|
| | FY12 | FY15 | FY16 | FY12 | FY15 | FY16 | 4 years | 1 year | 4 years | 1 year | Avg 4 yrs |
| Idea | 198 | 321 | 364 | 14.3% | 17.5% | 18.9% | 16.4% | 13.5% | 30.4% | 44.0% | 11.6% |
| Bharti | 413 | 563 | 607 | 29.9% | 30.7% | 31.4% | 10.1% | 7.8% | 35.5% | 44.8% | 4.0% |
| Vodafone | 307 | 426 | 446 | 22.1% | 23.3% | 23.1% | 9.8% | 4.8% | 25.6% | 20.7% | 2.5% |
| Rest of Ind. | 466 | 522 | 513 | 33.7% | 28.5% | 26.6% | 2.4% | -1.8% | 8.5% | -9.6% | -18.1% |
| Total | 1,384 | 1,832 | 1,930 | 100.0% | 100.0% | 100.0% | 8.7% | 5.4% | 100.0% | 100.0% | 0.0% |
| No. 2 Gap | 108 | 105 | 82 | 7.8% | 5.7% | 4.3% | | | | | |

- Indian wireless industry growing at healthy 8.7% CAGR over last 4 years despite regulatory interventions impacting FY16 revenue, and declining voice rate over last 3 – 4 years (Idea voice rate decline – 11% over last 4 years)
- Consistently delivering high iRMS, much ahead of legacy RMS

Idea – The fastest growing Indian Telco for straight 8 years

A Clear #2 in Incremental Revenue Market Share

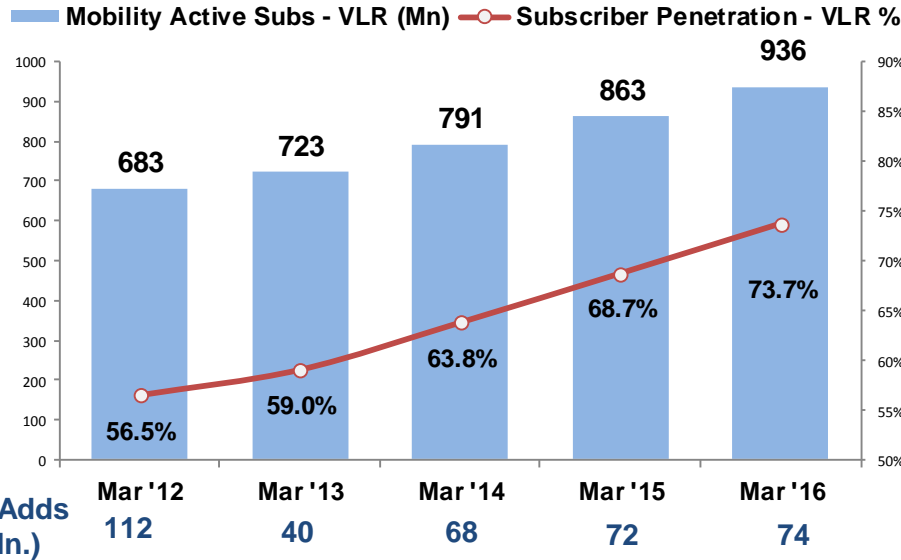




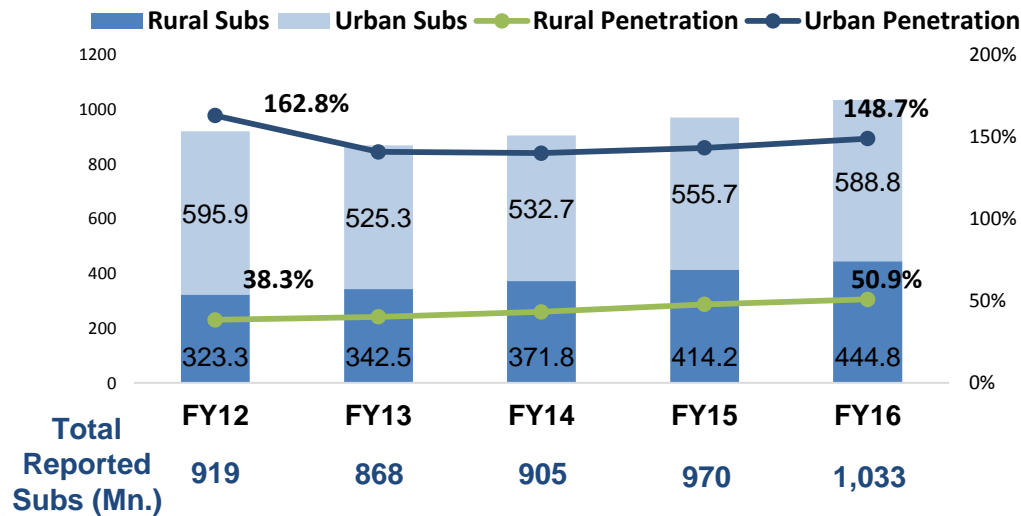
Mobile Voice Segment

India Subscriber Penetration

Large headroom for new subscribers addition in India



- India VLR penetration remains low @ 73.7% v/s Global average @ 92.1% (Global subs: 7.3 Bn, Active: 6.8 Bn)^
- Industry adding ~70 Mn active subscribers consistently for the last 3 years
- Idea VLR v/s reported subs highest @ 105% against Industry's 91% (Mar '16)



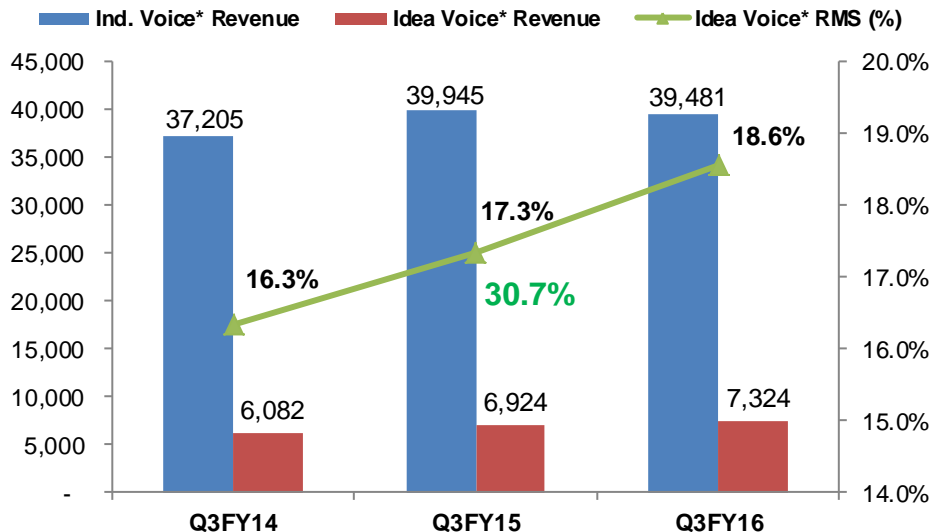
- Over the last 4 years, all subscriber addition has come from rural geographies
- Despite that, rural subscriber penetration remains low at 50.9%
- Rural segment key strength of Idea

Idea Mobile Voice Segment Performance

Gaining both Revenue and Traffic share



Voice* Revenue (Rs. Cr)

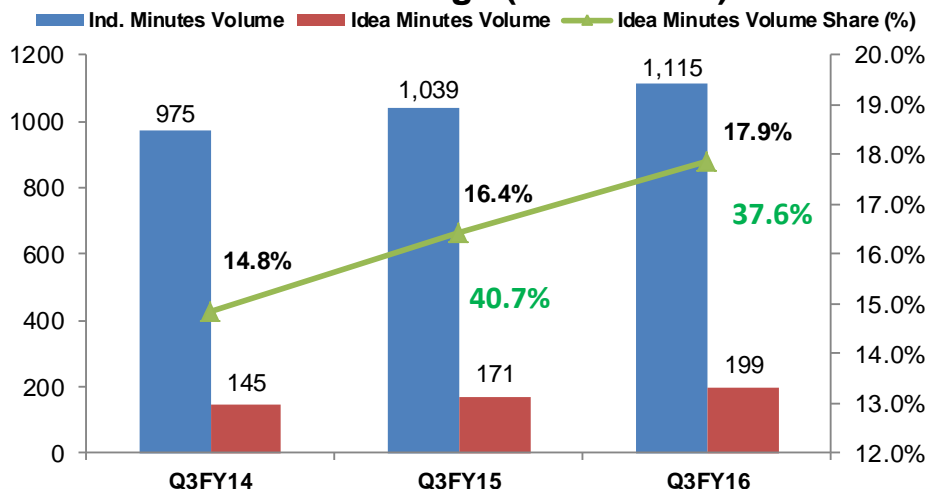


- Idea continues to outperform Industry Voice (+others including VAS) revenue growth

| YoY rev. growth | Q3FY15 | Q3FY16 |
|-----------------|--------|--------|
| Ind. Growth | 7% | -1% |
| Idea Growth | 14% | 6% |

- While the industry revenue grew by 1.9% (+Rs. 2,991 cr) in CY15 (v/s CY14), Idea grew by 8.3% (+Rs. 2,217 cr) over the same period.

Minutes of Usage (Bn Minutes)



- Idea minutes volume growth at more than 2X industry minutes volume growth

| YoY mins growth | Q3FY15 | Q3FY16 |
|-----------------|--------|--------|
| Ind. Growth | 6.6% | 7.3% |
| Idea Growth | 18.1% | 16.7% |

- While the industry minutes volume grew by 6.6% in CY15 (v/s CY14), Idea's minutes volume grew by 17.4% over the same period.

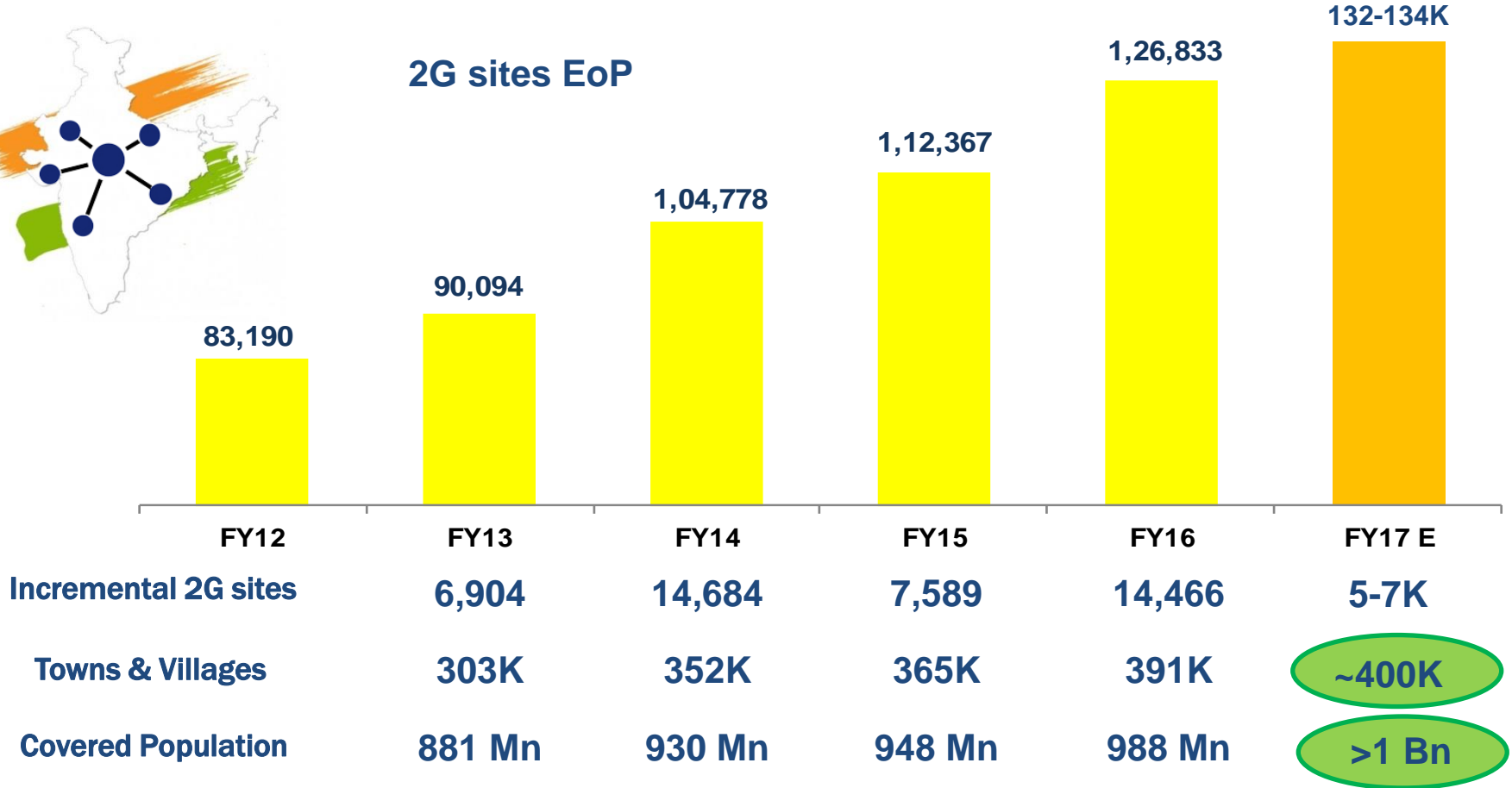


Idea has Deep Mobile Voice Infrastructure, continues Expanding Coverage

Brand Presence in nearly 4 lac towns & villages covering 1 Billion Indian Population



2G sites EoP



- Limited capex commitment for GSM expansion in FY17
- 2G Equipment released due to 'technology upgrade' (2G+3G on 900 MHz & 2G+4G on 1800 MHz) in Idea Key markets where wireless broadband is being introduced is redeployed for geographical expansion in New Service areas & uncovered rural markets in 15 established Service areas

Wireless Voice Industry to transition from a fragmented to a consolidated state



Existing Scenario

- Mobile Voice Segment characterized by intense competition - 8 to 10 operators in each service area

Major recent developments impacting industry

- Only Top 3 operators have successfully renewed all their expiring licenses during Feb '14 & Mar '15 auctions
 - Loop shut down its operations in its single circle (Mumbai)
 - RTL renewed only 2 out of its 7 900 MHz licenses (out of remaining 5, 1800 MHz spectrum was acquired in 2 service areas) – reducing its play in Voice market
- RCom & MTS announced merger
- RCom & Aircel exclusive talks on combining wireless business
- Announcement of Spectrum Trading & Spectrum Sharing guidelines
 - Exit of smaller players - Airtel acquired Videocon's 1800 MHz spectrum in 6 circles
 - As per Media reports, RCom announced closure of CDMA operations pan India post spectrum sharing / trading deal with Rjio
- Few CDMA operators' licenses & spectrum expiring in FY18 will be offered as part of FY17 auctions

Expected Impact on Mobile Voice segment

- *Mobile Voice Market likely to consolidate and may be limited to 5 – 6 players*



Mobile Data Segment

Mobile Data – The Next Big Opportunity in India



Mobile Internet Market



332 Million

Internet users Penetration: 32.0%



312 Million

Wireless Internet users
Penetration 30.9%



120 Million

Indian Mobile Broadband
(3G+4G) users – 11.8%
of wireless subs



3x subscribers



912.1 Mn Active Indians on
Mobile Voice

(VLR subs) – Penetration of
72.0%

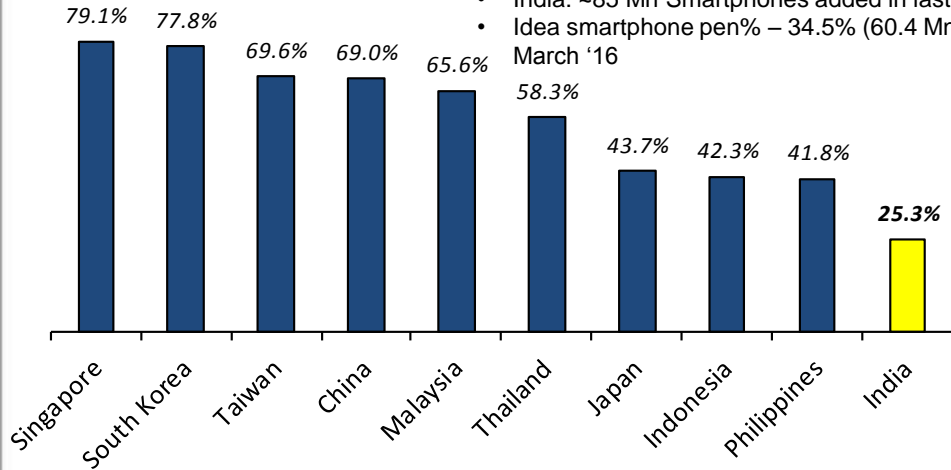
With Low Fixed Line Penetration in India, Mobile Internet is the predominant access solution to Internet – Customers' Ticket to the Digital Era



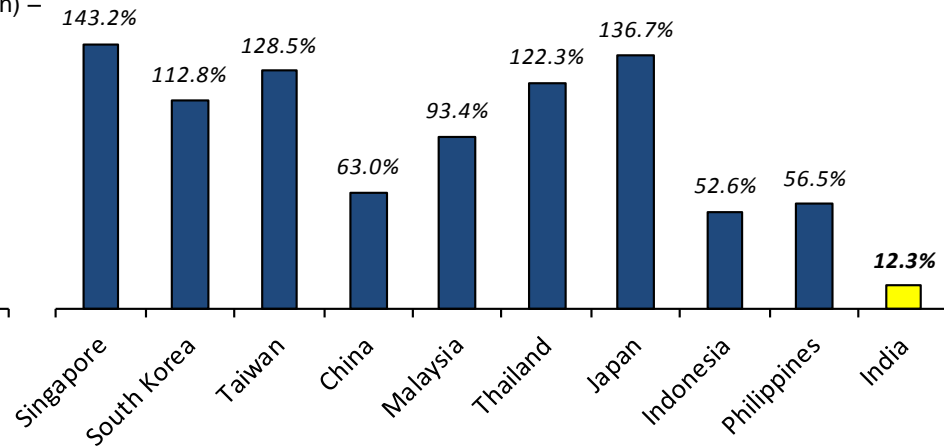
Large Potential for Data Penetration in India

Smartphone Penetration - as a % of Connections*

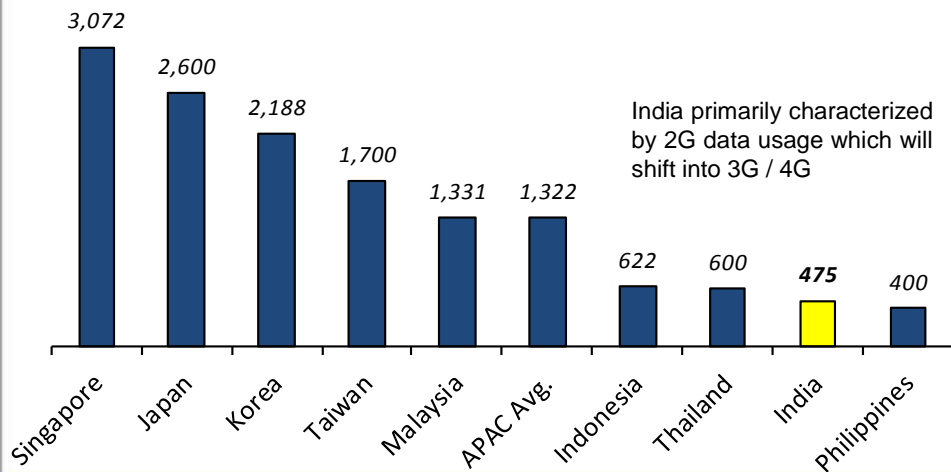
- India: ~85 Mn Smartphones added in last FY*
- Idea smartphone pen% – 34.5% (60.4 Mn) – March '16



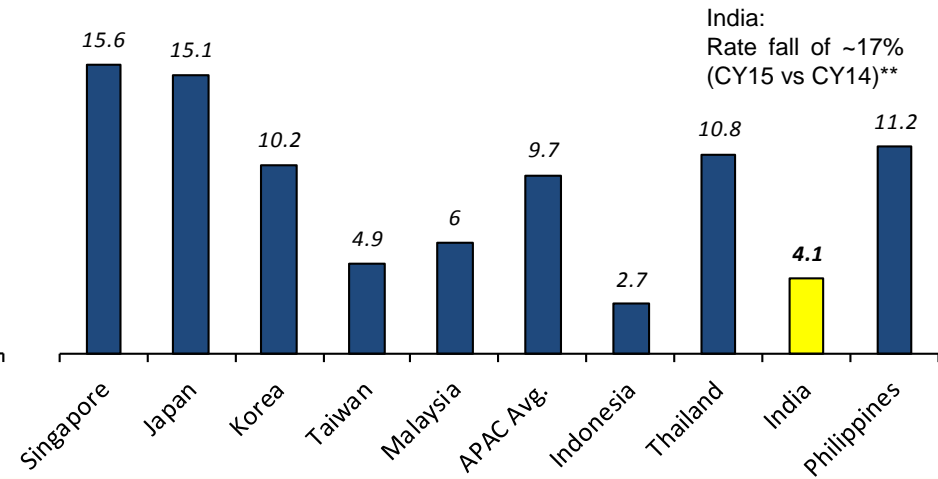
(3G+4G) Market Penetration (Connections) - as a % of Population*



Usage/Sub (MB)^



Price/GB (USD)^



Building a World Class Indian Mobile Broadband Infra

Pride of country and envy of world



Top Indian Private Mobile Operators are now working at breakneck speeds to create a world class Digital Highway

Coverage expansion*

1.1 Billion

Indians to be covered by wireless broadband services by 2021 from current ~ 700 Mn

Population coverage to expand from current ~ 55% to ~ 90% by 2021*



Wireless Broadband users**

540 Million

Mobile Broadband (3G+4G) users in 2021



Network Rollout

3X roll out

- FY15: 40k
- FY16: 120k
- FY17***: ~400k (including entry of new operator)



Massive Capacity creation***

700k sites

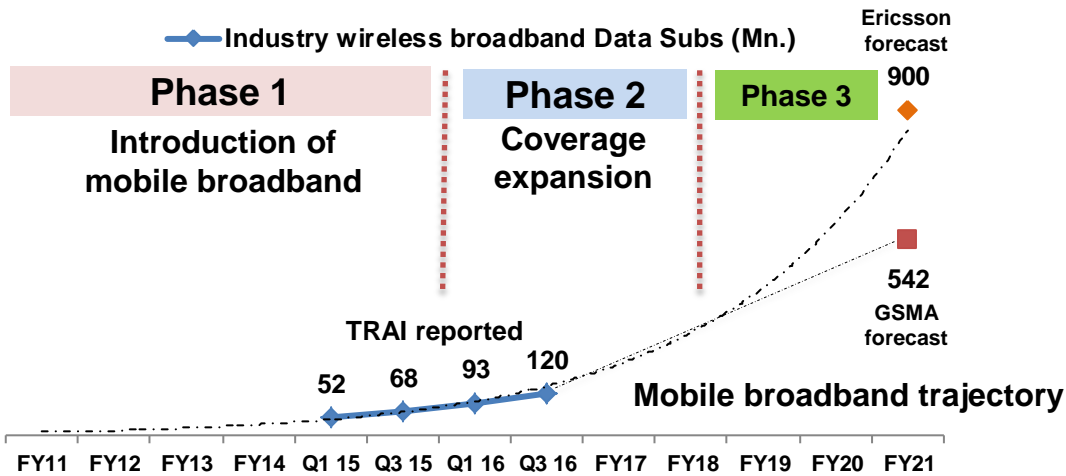
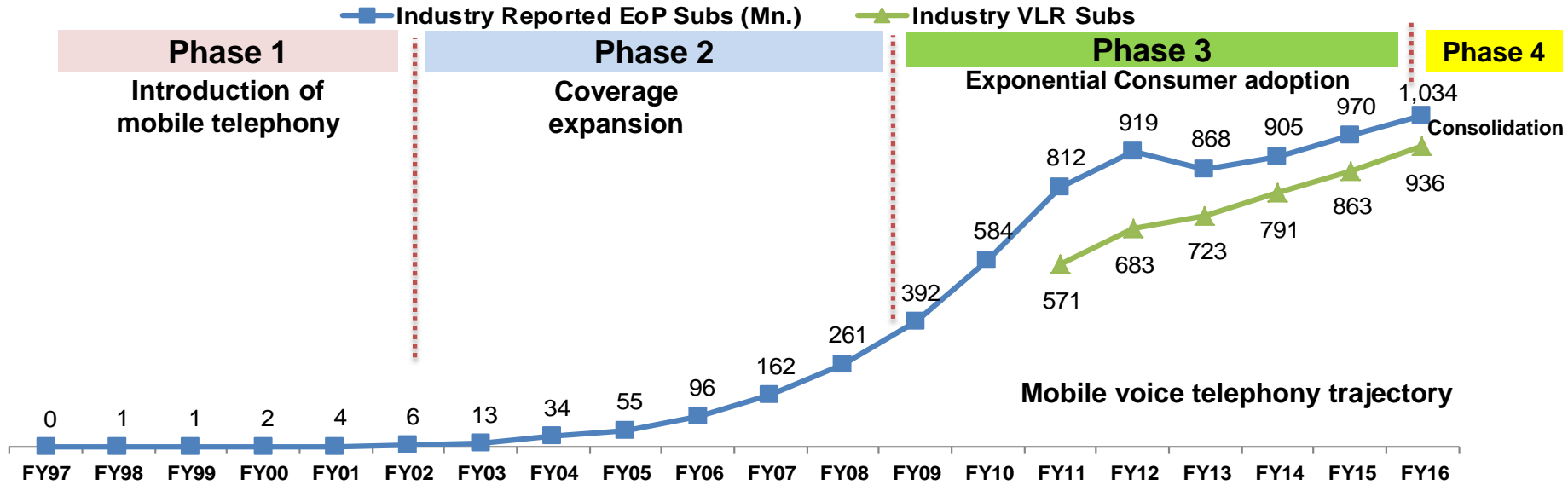
Cumulative on 3G / 4G platform by FY2018



Mobile data adoption likely to have similar trajectory as that of historic mobile voice penetration in India



History to repeat itself



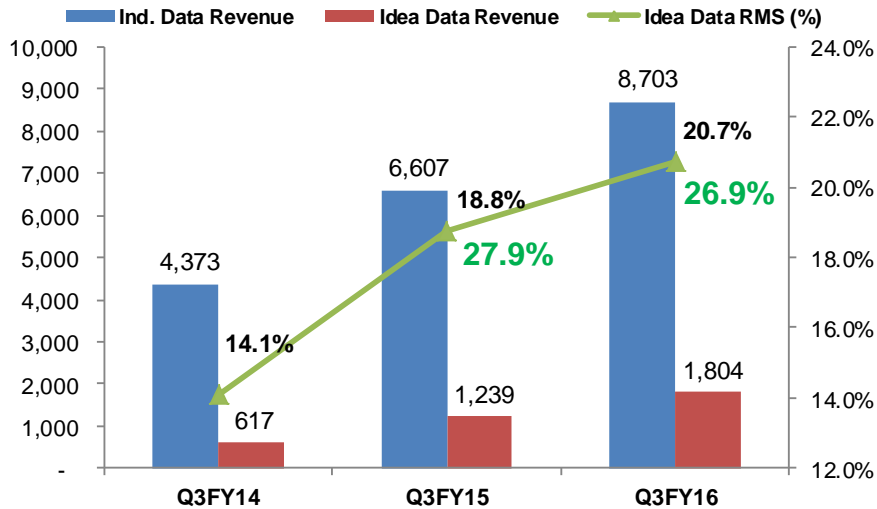
- Coverage expansion phase in mobile voice was followed by a phase of exponential consumer uptake of voice telephony services during FY09 to FY16; now entering consolidation phase
- Mobile broadband currently in a coverage expansion phase
- Will be followed by exponential consumer adoption

Idea Mobile Data Segment Performance

Gaining both Revenue and Traffic share



Data Revenue (Rs. Cr)

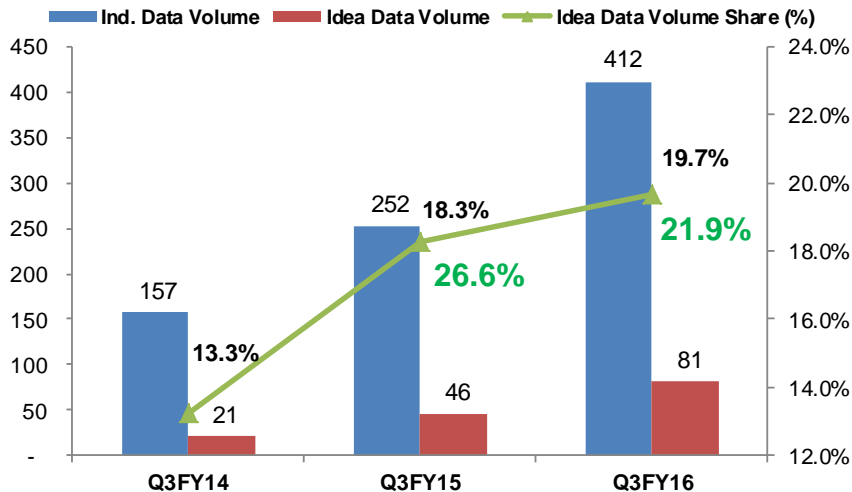


- Faster than Industry mobile data revenue growth

| YoY rev. growth | Q3FY15 | Q3FY16 |
|-----------------|--------|--------|
| Ind. Growth | 51% | 32% |
| Idea Growth | 101% | 46% |

- While the industry grew by 38.8% (+Rs. 8,858 cr) in CY15 (v/s CY14), Idea grew by 67.8% (+Rs. 2,596 cr) over the same period.

Data Volume (Bn MB)



- Idea data volume growth in line with industry data volume growth

| YoY vol. growth | Q3FY15 | Q3FY16 |
|-----------------|--------|--------|
| Ind. Growth | 60% | 63% |
| Idea Growth | 121% | 76% |

- While the industry data volume grew by 66.9% in CY15 (v/s CY14), Idea data volume grew by 85.9% over the same period.

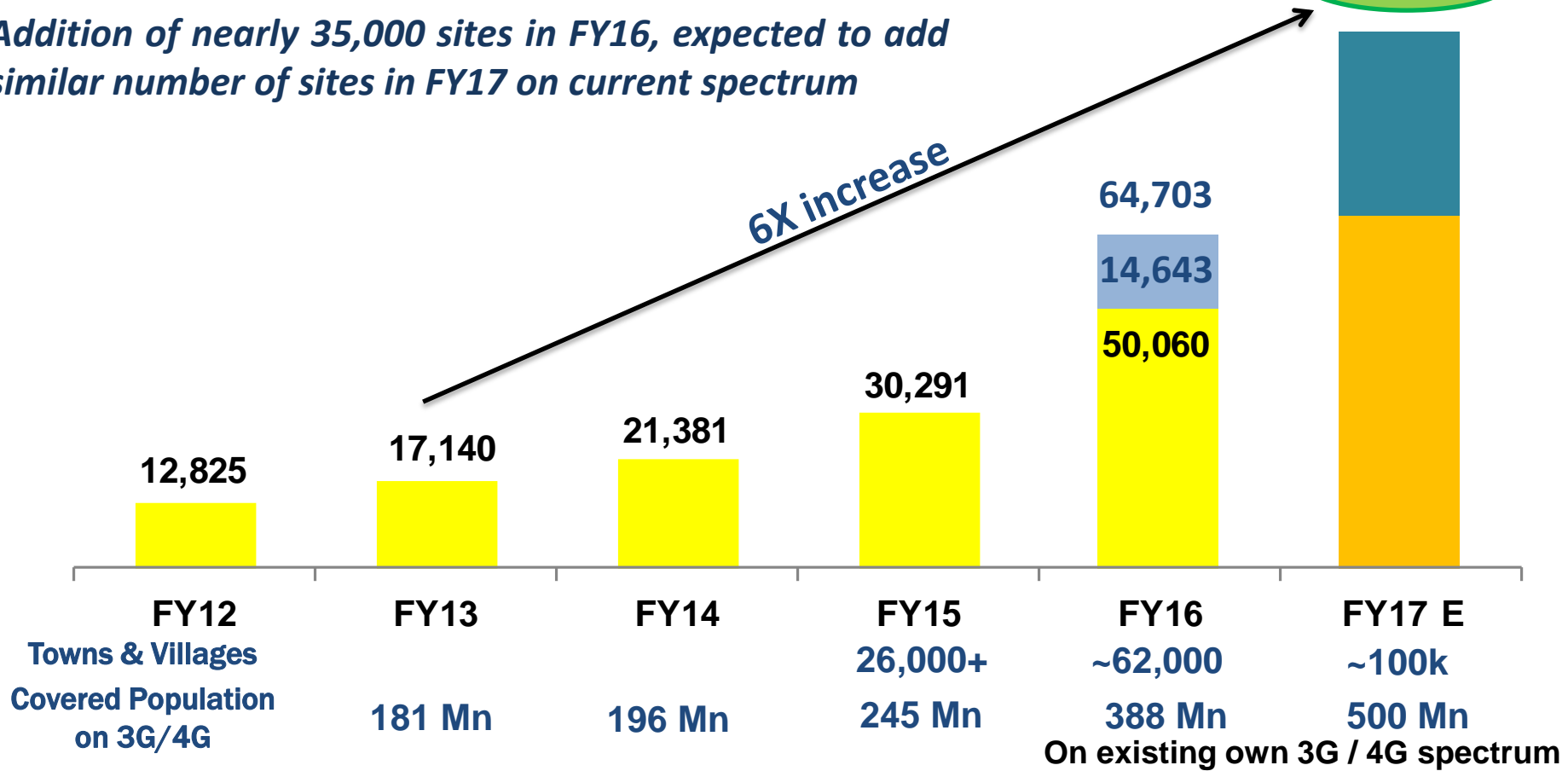
- Industry CY15 /vs CY14 Rate (ARMB) decline @ 16.8% vs Idea's @ 9.8%

Idea in midst of building wide & deep Mobile Broadband Infrastructure

Massive expansion in 3G & launch of 4G services in CY16

■ 3G Sites EoP ■ 4G Sites EoP

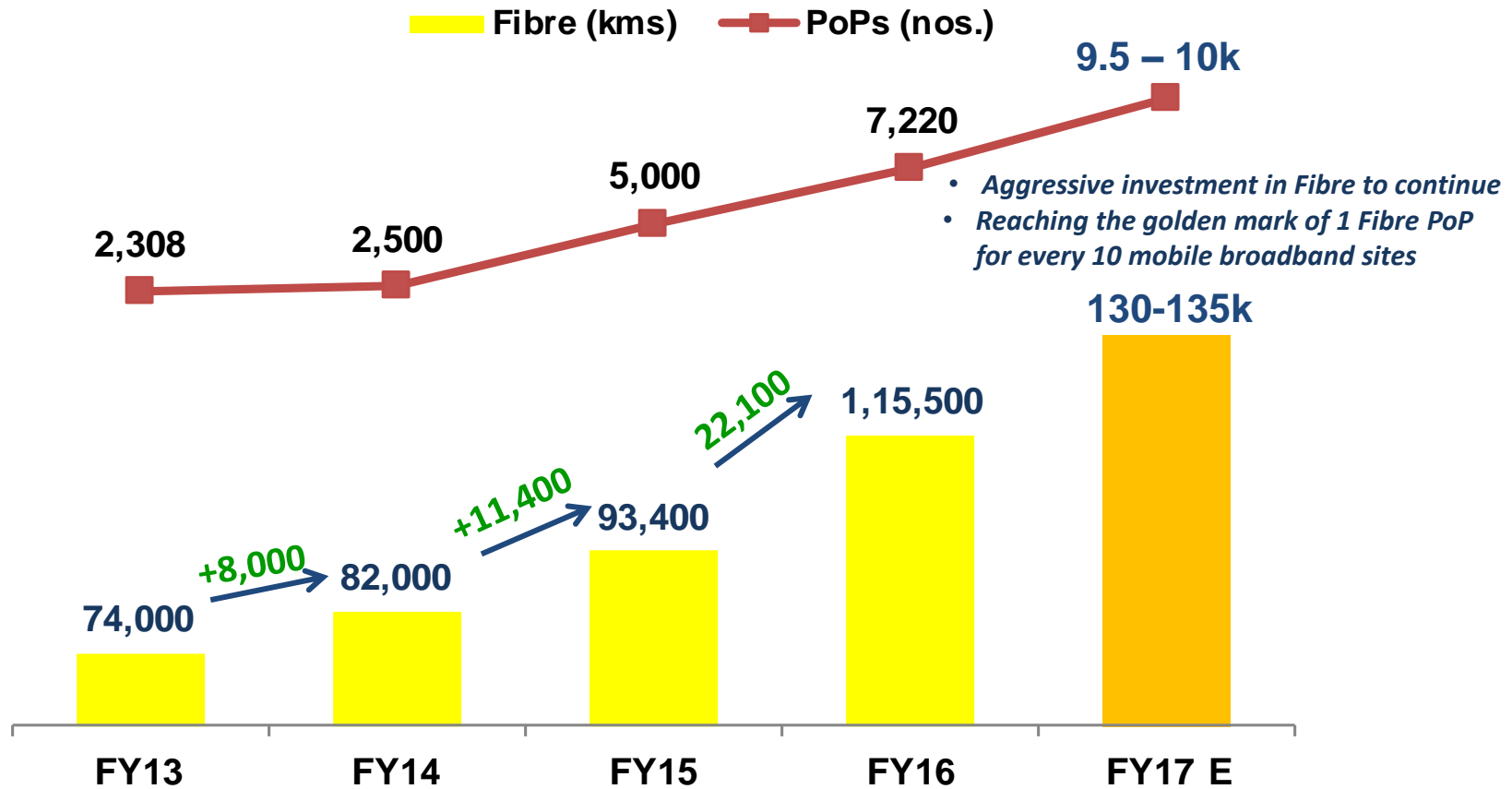
Addition of nearly 35,000 sites in FY16, expected to add similar number of sites in FY17 on current spectrum



Idea equipped with sufficient capacity – FY16 utilization at ~ 30-40% and significant capacity addition in FY17



Deploying Fibre and PoPs at an increasing pace every year



- Aggressive investment in Fibre to continue
- Reaching the golden mark of 1 Fibre PoP for every 10 mobile broadband sites

- Idea continues to roll out fibre 'Just-in-time' as mobile broadband data market develops
- Fibre & PoPs are being built in partnership with most existing telecom operators to get benefit of synergy and cost optimisation
- Limited presence in 'Enterprise fixed line' business.



Expect 4–5 serious players in Mobile Broadband segment to compete fastest growing Mobility revenue segment

Existing Scenario

- Mobile Broadband Data – an emerging high growth segment with lower competition – 2 to 3 serious operators in each of the service areas

Major recent developments impacting industry

- Feb '14 and Mar '15 spectrum auction ~91% of spectrum by Value won by only 4 operators
- Announcement of Spectrum Trading & Spectrum Sharing guidelines
 - Exit of smaller players - Airtel acquired Videocon's 1800 MHz spectrum in 6 circles and entered into agreement for acquiring Aircel's 2300 MHz spectrum in 8 circles, both for LTE deployment
 - RJio - RCom spectrum trading on 800 MHz in 13 circles and spectrum sharing in 20 circles in 800 MHz band
 - RCom likely to use 4G of RJio through an arrangement

Expected Impact on Mobile Voice & Mobile Broadband Data segments

- Mobile Data: Competition to increase but limited to 4-5 large pan India players including new operator



Idea – Beyond mobility!

Idea Tower Infrastructure Business



Tower Market & Idea

| Particulars | Count | | Tenancy Ratio |
|-----------------|----------|-----------|---------------|
| | Towers | Tenancies | |
| Total Industry* | 4,15,000 | 7,60,000 | 1.83 |
| Idea ** | 29,017 | 59,324 | 2.04 |
| Market Share | 7.0% | 7.8% | |

Total Towers & Tenancies including 16% share in Indus

| Particulars | ICL/ICISL | 16% Indus share | Combined entity |
|----------------------|-------------|-----------------|-----------------|
| No. of Towers | 9,836 | 19,181 | 29,017 |
| No. of Tenancies | 16,123 | 43,201 | 59,324 |
| Tenancy Ratio | 1.64 | 2.25 | 2.04 |

ICL + ICISL

- Quality tenancy portfolio with ~91% of the total tenancies from top 3 operators
- Long term MSA signed with all the operators
- Favorable GBT / RTT mix of 64:36
- Growth opportunity from data growth

Plan for consolidating Idea's tower portfolio in ICISL

- ICL to transfer all its towers to ICISL
- Dedicated Organisation in place

Idea's entry into Digital Content Services



Idea Music



Idea Games



Idea Videos



Idea TV



Idea News



Idea Mags



Idea Storage



Discussions in progress...FY17 launch

Idea Digital Wallets and Payments Bank



- **Mobiles being used to pay for goods, services, digital content, P2P transfers at physical (PoS) or remote (internet transactions) locations**
- **Aditya Birla Nuvo Limited (ABNL) got In-principle approval from RBI for Payments Bank. Idea holds 49% stake in a Joint venture with ABNL named Aditya Birla Idea Payments Bank (ABIPB).**

Digital Wallets

- Primarily Urban (SEC A) consumer, uses smartphone (data user) and Active banking user
- **Key use cases: Mobile/DTH recharges, Utility Bill payments, Payments across E-commerce, Merchants, Taxi Aggregators, Travel portals (IRCTC), Availing Coupons**
- Idea Digital Wallets – 2.05 Mn (EoP March '16)

Payments Bank

- Urban/Semi-Urban/Rural (SEC B,C & D) unbanked consumers who use mobile phones
- Useful for Remittances, Direct Benefit Transfer & Government Grants
- **Offer financial products such as savings account, micro loans, insurance, etc. to a large segment of Indians who have remain deprived of such services so far**

Idea already has its own Digital Wallet offering (Idea Money) & is now working with Aditya Birla Nuvo Limited towards launch of Payments Bank services



Spectrum Landscape

Spectrum – Key ‘Raw Material’



- Spectrum most important ingredient for Mobile telephony services infrastructure
- **Historically, India has been a spectrum starved society**

| Per Service Area | 700 MHz | 800 MHz | 900 MHz | 1800 MHz | 2100 MHz | 2300 MHz | 2500 MHz | Total |
|------------------|---------|-----------|---------|----------|----------|----------|----------|--------------|
| March 2016 | | 12.5 - 15 | 15 - 22 | 30-35 | 15 | 40 | | 115.5 |

Quantum in MHz

- Industry’s commitment in 5 spectrum auctions till date (’10 – ’15) - **Rs. 2.78 lac crs**
- **With recent DoT announcement, Industry now transitioning from an era of limited spectrum availability to a phase of adequate availability**

| Per Service Area | 700 MHz | 800 MHz | 900 MHz | 1800 MHz | 2100 MHz | 2300 MHz | 2500 MHz | Total |
|------------------|---------|---------|---------|----------|----------|----------|----------|------------|
| 2016 onwards | 35 | 15 | 15 | 55 | 30 | 60 | 100 | 310 |

Broadly represents an average of all spectrum available with DoT, if allocated

Quantum in MHz

- However, **unreasonable spectrum pricing to be a major constraint**

Pricing for 1 carrier (2x5 MHz FDD / 20 MHz TDD) on a Pan India basis based on current TRAI recommendation or last auction discovered price

| | 700 MHz | 800 MHz | 900 MHz | 1800 MHz | 2100 MHz | 2300 MHz | 2500 MHz | Total |
|------------------|---------|---------|---------|----------|----------|----------|----------|-----------------|
| Pricing (Rs. Cr) | 57,425 | 29,774 | 45,586 | 14,365 | 18,730 | 16,340 | 16,340 | 1,98,560 |

A quantum of 65 MHz (25 MHz FDD + 2x20 MHz TDD) in all 22 circles will cost ~ Rs. 2 lac crores

Spectrum Auctions so far...



- Idea acquired ~237 MHz of spectrum, committing over Rs. 480 billion from 2010 to 2015

| in Rs. Bn | May'10 | | Nov'12/Mar'13 | | Feb'14 | | Mar'15 | | Total Payout - 2010 to 2015 | | |
|-----------------------|---------|------------|---------------|------|------------|------------|------------|------------|-----------------------------|--------------|--------------|
| | Renewal | Data | Renewal | Data | Renewal | Data | Renewal | Data | Renewal | Data | Total |
| Idea | - | 58 | 20 | - | 28 | 77 | 227 | 74 | 275 | 208 | 484 |
| Others | - | 892 | 110 | - | 199 | 305 | 354 | 442 | 663 | 1,640 | 2,303 |
| Total Industry | - | 950 | 130 | - | 227 | 382 | 581 | 516 | 938 | 1,848 | 2,786 |
| Idea % | | 6% | 16% | | 12% | 20% | 39% | 14% | 29% | 11% | 17% |

| Operator | Before 2010 (MHz) | | Acq. In Auction (MHz) | | | | Acq. In Auctions (MHz) | Current Holding (MHz) |
|--------------|-------------------|----------------|-----------------------|--------------|--------------|--------------|------------------------|-----------------------|
| | Expired* | Admin | May'10 | Nov'12 | Feb'14 | Mar'15 | | |
| | | | | | | | | |
| Idea | 68.2 | + 33.6 | 55.0 | 37.5 | 65.2 | 79.4 | 237.1 | 270.7 |
| Total | 288.1 | + 860.4 | 1625.0 | 157.5 | 353.2 | 418.1 | 2,553.8 | 3,414.2 |

| Operator | Operating Circles | Renewal till Mar'15 Auction | Remaining Circles |
|-----------|-------------------|-----------------------------|-------------------|
| Idea | 22 | 16 | 6 |
| Voda | 22 | 9 | 13 |
| Bharti | 22 | 8 | 14 |
| RTL | 8 | 4^ | 1 |
| RCom | 20 | - | 20 |
| BSNL/MTNL | 22 | - | 22 |
| Aircel | 22 | - | 22 |
| Tata | 19 | - | 19 |
| MTS | 8 | 8 | - |
| Uninor | 7 | 7 | - |
| Videocon | 6 | 6 | - |

- Approx. 860 MHz of Administered spectrum will expire till FY26 for Industry v/s Idea's ~34 MHz
- Idea renewed 16 out of 22 circles, highest amongst incumbents
- Company Spectrum Acquisition Strategy**
Timing of spectrum acquisition calibrated to market evolution rather than ahead of time acquisition of emerging bands

Idea building a Competitive Spectrum Profile



| Circles | Current Spectrum Profile (in MHz) | | | | | Capability to Offer | | |
|---|-----------------------------------|-------------|-------------|-----------|--------------|---------------------|-------------------------|-------------------------|
| | 900 | 1800 GSM | 1800 LTE | 2100 | Total | GSM | 3G | LTE |
| Maharashtra | 4+5 | 4 | 5.0* | 5 | 23 | ✓ | ✓✓ | ✓ |
| Kerala | 6 | | 10 | 5 | 21 | ✓ | ✓ | ✓✓ |
| M.P. | 7.4 | 2 | 5 | 5 | 19.4 | ✓ | ✓✓ | ✓ |
| Punjab | 5.6 | 3 | 5.0* | 5 | 18.6 | ✓ | ✓ | ✓ |
| Haryana | 6 | 1 | 5.0* | 5 | 17 | ✓ | ✓ | ✓ |
| Andhra Pradesh | 5 | 1 | 5 | 5 | 16 | ✓ | ✓ | ✓ |
| HP | | 4.4 | 4.8** | 5 | 14.2 | ✓ | ✓ | ✓*** |
| Delhi | 5 | 8.6 | | | 13.6 | ✓ | ✓ | ✗ |
| UP (W) | 5 | 2.2** | | 5 | 12.2 | ✓ | ✓ | ✗ |
| Gujarat | 5 | 1.6 | | 5 | 11.6 | ✓ | ✓ | ✗ |
| Tamil Nadu | | 6.4 | 5 | | 11.4 | ✓ | ✗ | ✓ |
| UP (E) | | 6.2 | | 5 | 11.2 | ✓ | ✓ | ✗ |
| Karnataka | 5 | 1 | 5 | | 11 | ✓ | ✗ | ✓ |
| North East | | 6.0** | 5.0* | | 11 | ✓ | ✗ | ✓ |
| J&K | | 5 | | 5 | 10 | ✓ | ✓ | ✗ |
| Kolkata | | 5 | | 5 | 10 | ✓ | ✓ | ✗ |
| Orissa | | 5 | 5 | | 10 | ✓ | ✗ | ✓ |
| Mumbai | | 6.4 | | | 6.4 | ✓ | ✗ | ✗ |
| West Bengal | | 6.25 | | | 6.25 | ✓ | ✗ | ✗ |
| Rajasthan | | 6.2 | | | 6.2 | ✓ | ✗ | ✗ |
| Bihar | | 5.65 | | | 5.65 | ✓ | ✗ | ✗ |
| Assam | | 5 | | | 5 | ✓ | ✗ | ✗ |
| Total Spectrum | 59 | 91.9 | 59.8 | 60 | 270.7 | | | |
| Number of markets where Idea can deploy | | | | | | 22 | 13+2[#] | 11+1[#] |
| Industry Revenue Contribution % | | | | | | 100% | 60% | 51% |
| Idea Revenue Contribution % | | | | | | 100% | 79% | 62% |

- Competitive portfolio of 3G and 4G capable spectrum –

Strong in our established markets

- Currently offers 3G services in 21 service areas including ICR arrangement
- Idea currently covers ~ 87% of revenue on its own 3G / 4G spectrum in 17 service areas
- Idea Mobile Broadband spectrum share for coverage^ @ ~14%
- Idea Mobile Voice spectrum share @ ~11% (incl. CDMA)

*Contiguous block of 5 MHz is not available in Pune and Nasik (Maharashtra), Amritsar & Ludhiana (Punjab), Sirsa (Haryana), Khasi Hill & Tawang (NESA).

**4.0 MHz in HP, 1.8MHz in UPW and 1 MHz in North East is partially available.

***LTE services to be launched post completion harmonization by DoT.

Represents 2nd carrier

^ Spectrum bands excluding 2300 / 2500 MHz

Harmonization activity completed – Awaiting DoT allocation of partial spectrum



- **Availability of 1800 MHz spectrum in the entire service area from an earlier partial state in**
 - Maharashtra & Goa: key markets of Pune and Nasik to get 4G LTE offering
 - Punjab: key markets of Ludhiana and Amritsar to get 4G LTE offering
 - Haryana: Sirsa market to get 4G LTE offering
 - NESA : Khasi Hills & Tawang – 4G
 - Uttar Pradesh (West): multiple markets for 2G spectrum expansion
- **Himachal Pradesh to get 4G LTE carrier – expand Idea’s LTE presence to 11 circles**
- **Increased spectrum availability in 1800 MHz band (~198 MHz, as per media reports) for upcoming auctions in most service areas**

Spectrum Auctions 2016 – Availability

More than 2,000 MHz of spectrum available across bands



| Circle | Total Spectrum Availability (MHz) | | | | | | | | | |
|-----------------------------|-----------------------------------|---------------|--------------|-------------|------------------------|---------------|---------------|---------------|---------------|-----------------|
| | 700 MHz | 800 MHz | 900 MHz | 1800 MHz ^ | | | 2100 MHz | 2300 MHz* | 2500 MHz* | Total |
| | | | | Expiry | Harmonization + Unsold | Total | | | | |
| Andhra Pradesh | 35.0 | 6.3 | - | 4.4 | - | 4.4 | 20.0 | 20.0 | 40.0 | 125.7 |
| Assam | 35.0 | - | - | - | 19.8 | 19.8 | 15.0 | 20.0 | 20.0 | 109.8 |
| Bihar | 35.0 | - | 4.6 | - | 12.2 | 12.2 | 15.0 | 20.0 | 20.0 | 106.8 |
| Delhi | 35.0 | - | - | - | 12.8 | 12.8 | 20.0 | 20.0 | 40.0 | 127.8 |
| Gujarat | 35.0 | 3.8 | 3.0 | 4.4 | 8.6 | 13.0 | 15.0 | 20.0 | 40.0 | 129.8 |
| Haryana | 35.0 | - | 0.2 | - | 7.4 | 7.4 | 15.0 | - | 20.0 | 77.6 |
| Himachal Pradesh | 35.0 | - | - | - | 11.4 | 11.4 | 15.0 | 20.0 | 20.0 | 101.4 |
| Jammu and Kashmir | 35.0 | - | - | - | 32.0 | 32.0 | 15.0 | - | 20.0 | 102.0 |
| Karnataka | 35.0 | 1.25 | 0.2 | - | 7.8 | 7.8 | 15.0 | 20.0 | 40.0 | 119.3 |
| Kerala | 35.0 | - | - | - | 2.0 | 2.0 | 15.0 | 20.0 | 20.0 | 92.0 |
| Kolkata | 35.0 | - | - | - | 4.0 | 4.0 | 15.0 | 20.0 | 40.0 | 114.0 |
| Madhya Pradesh | 35.0 | 1.25 | - | - | 4.6 | 4.6 | 15.0 | 20.0 | 20.0 | 95.9 |
| Maharashtra | 35.0 | 7.5 | - | 4.4 | 9.0 | 13.4 | 15.0 | 20.0 | 40.0 | 130.9 |
| Mumbai | 35.0 | 5.0 | - | 4.4 | 0.4 | 4.8 | 20.0 | 20.0 | 40.0 | 124.8 |
| North East | 35.0 | - | - | - | 9.2 | 9.2 | 15.0 | 20.0 | 20.0 | 99.2 |
| Orissa | 35.0 | - | - | - | 0.2 | 0.2 | 15.0 | 20.0 | 20.0 | 90.2 |
| Punjab | 35.0 | 5.0 | - | 4.4 | 11.0 | 15.4 | 15.0 | - | 20.0 | 90.4 |
| Rajasthan | 35.0 | 5.0 | - | 4.4 | 6.6 | 11.0 | 15.0 | - | 20.0 | 86.0 |
| Tamil Nadu | 35.0 | 1.25 | - | - | - | - | 15.0 | 20.0 | 40.0 | 111.3 |
| Uttar Pradesh (East) | 35.0 | 1.25 | 0.6 | - | 5.4 | 5.4 | 15.0 | - | 20.0 | 77.3 |
| Uttar Pradesh (West) | 35.0 | - | 1.2 | - | 14.6 | 14.6 | 15.0 | - | 20.0 | 85.8 |
| West Bengal | 35.0 | - | - | - | 18.4 | 18.4 | 15.0 | 20.0 | 20.0 | 108.4 |
| Total | 770.0 | 37.5 | 9.8 | 26.4 | 197.4 | 223.8 | 345.0 | 320.0 | 600.0 | 2,306.1 |
| Total Price (Rs. Cr) | 4,01,975 | 17,711 | 5,556 | | | 25,208 | 62,625 | 15,200 | 30,680 | 5,58,955 |

• Value as per TRAI recommended price is **INR 5.6 lac crores**

* 2300 / 2500 MHz unpaired spectrum quantum

^ Company estimates Based on media reports & Expected quantum post harmonization

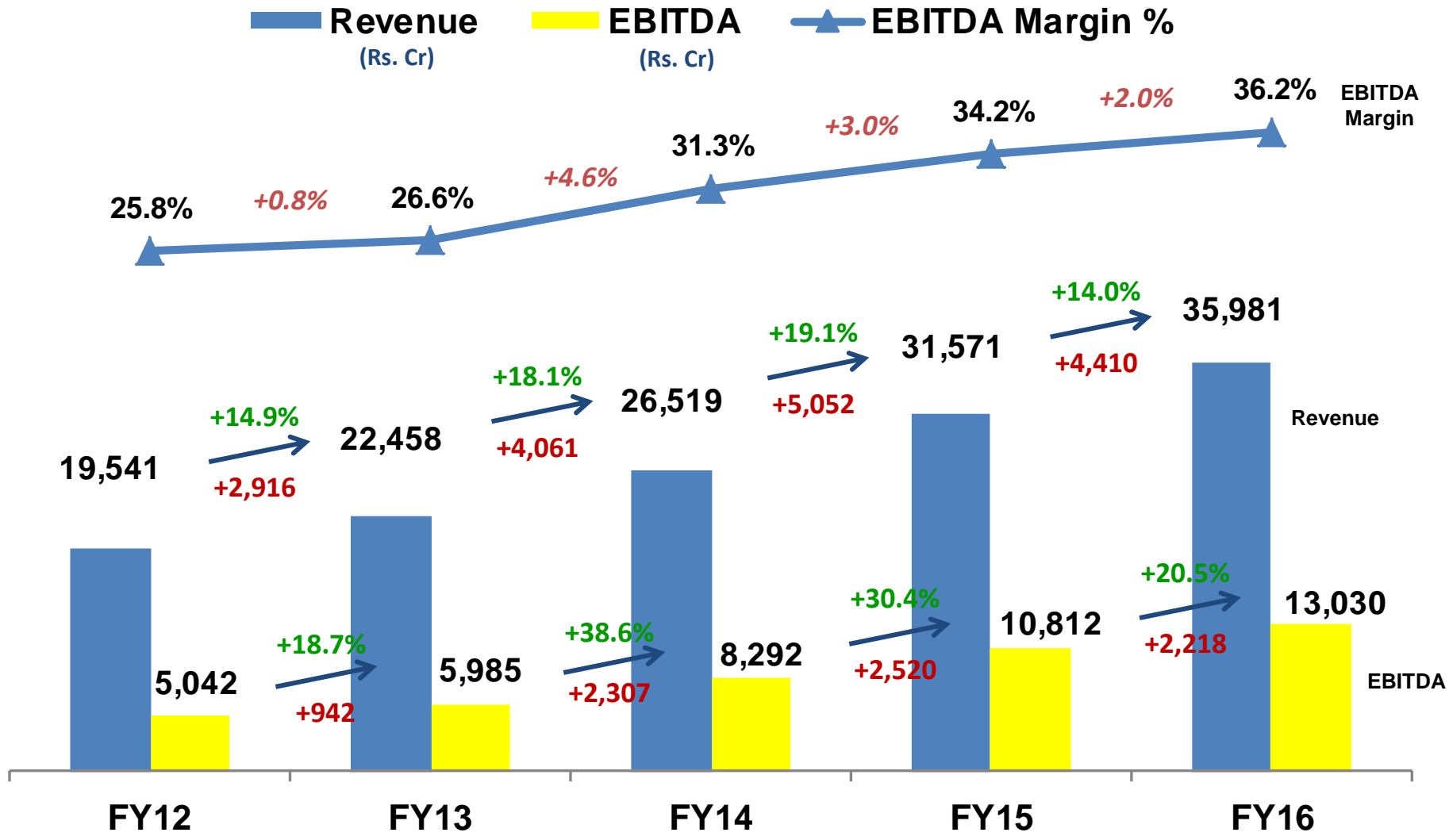


Idea – Consistent Performance on back of key strengths

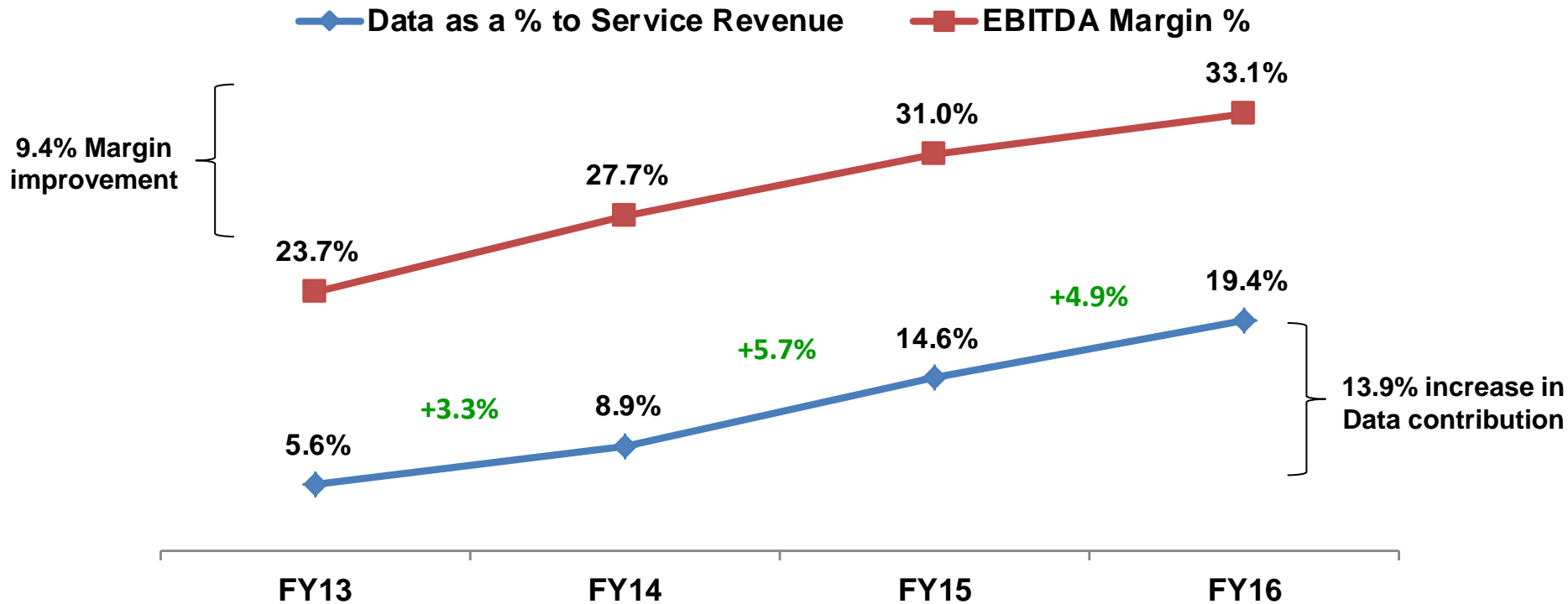
Delivering Robust Revenue & EBITDA growth



CAGR of 16.5% Revenue, 26.8% EBITDA & 10.4% margin improvement over past 4 years

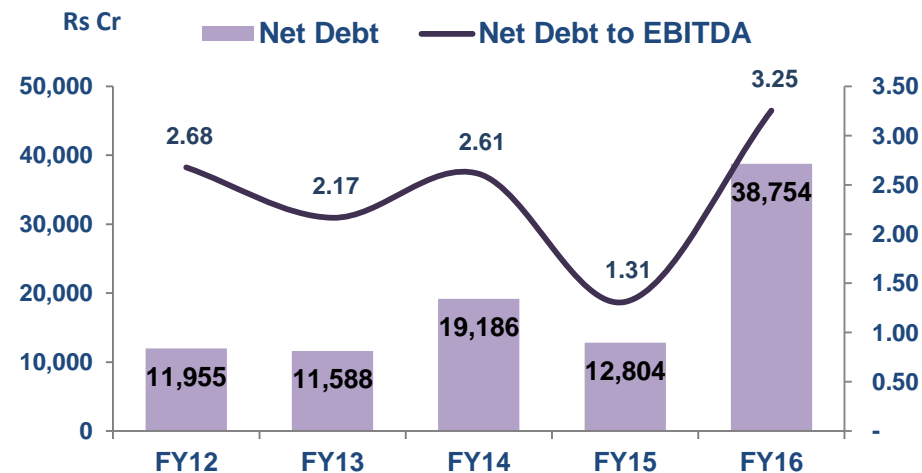
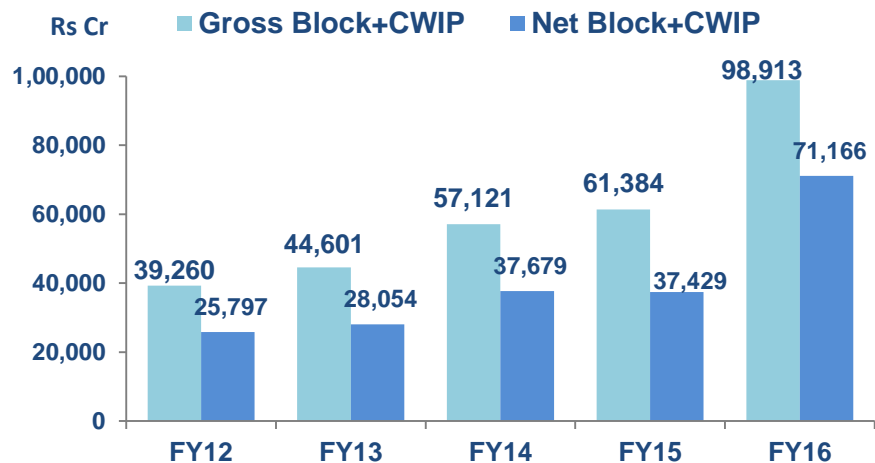
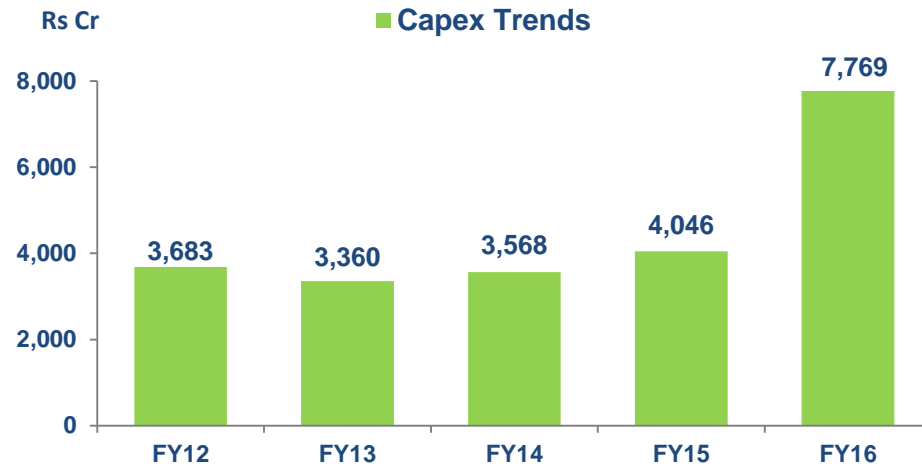
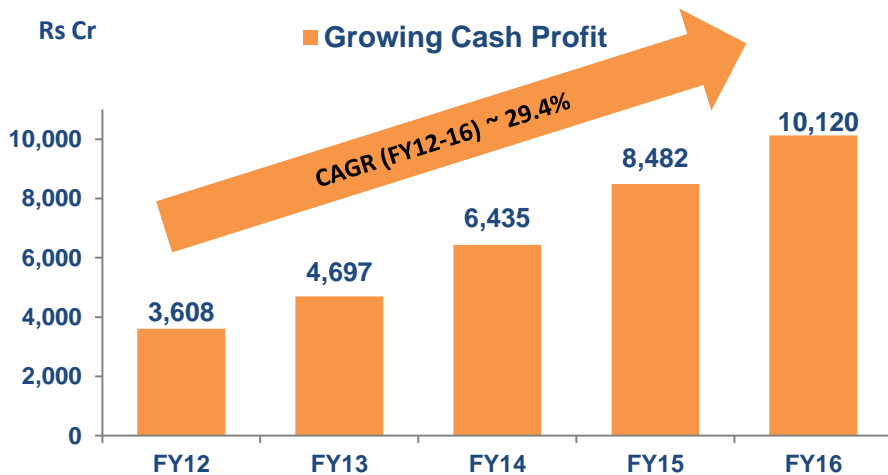


Increasing data contribution to revenue driving higher EBITDA margin



- Projected Mobile Data contribution to accelerate in next 5 years
- As Mobile Data is incremental business over mobility voice, the incremental cost is far lower due to no IUC, lower network operating costs, limited cost of customer acquisition & servicing and business promotion

Idea Financial Trending





Innovative Distribution & Servicing Model

A Wide Distribution Channel to capitalize on Rapid Network Expansion



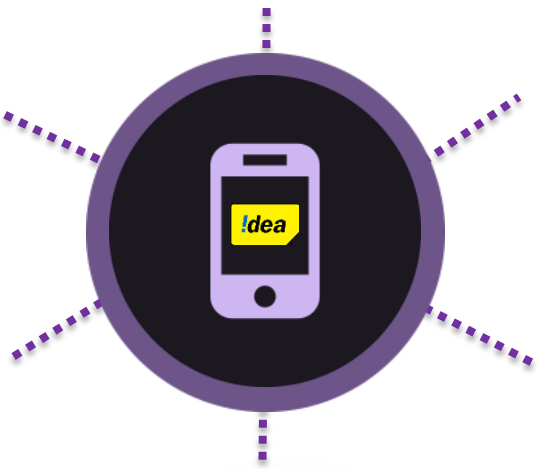
1.6 Million Transacting Retailers
1 Million Data Selling O/Ls



8,000+ Idea Service Stores
across formats



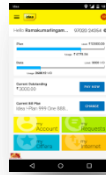
33,000+ Distributors
54,000+ DSEs



Digital Sales & Service:
Servicing our customers in
the channel of their choice



15,500+ agents,
33 call centres across India



**Mobile App for servicing
data users 24x7**

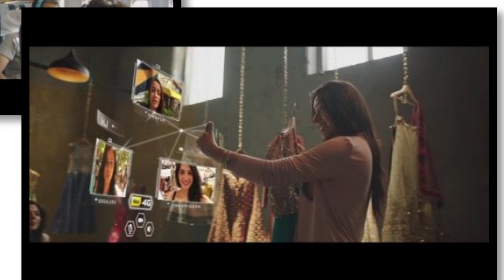
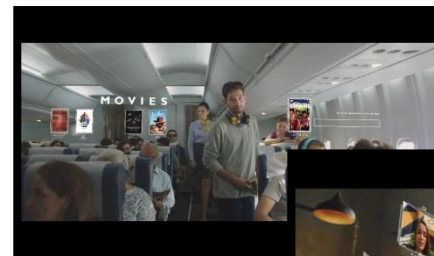
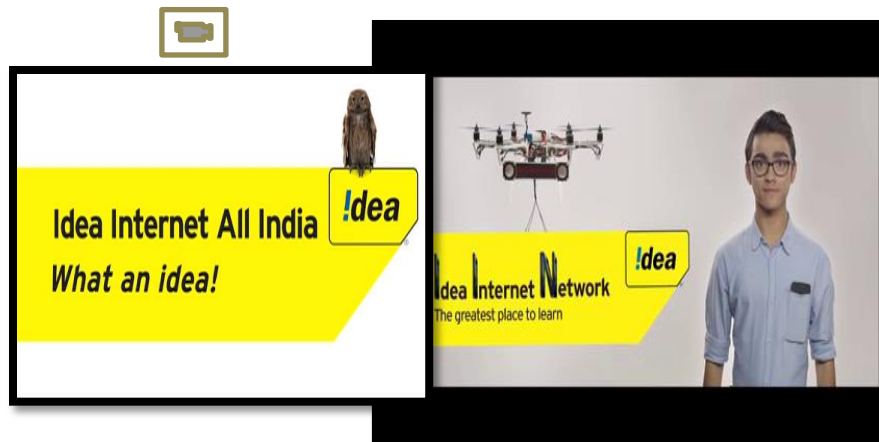
Brand Philosophy



From Category Building in Voice Segment to Establishing Relevance of Data segment

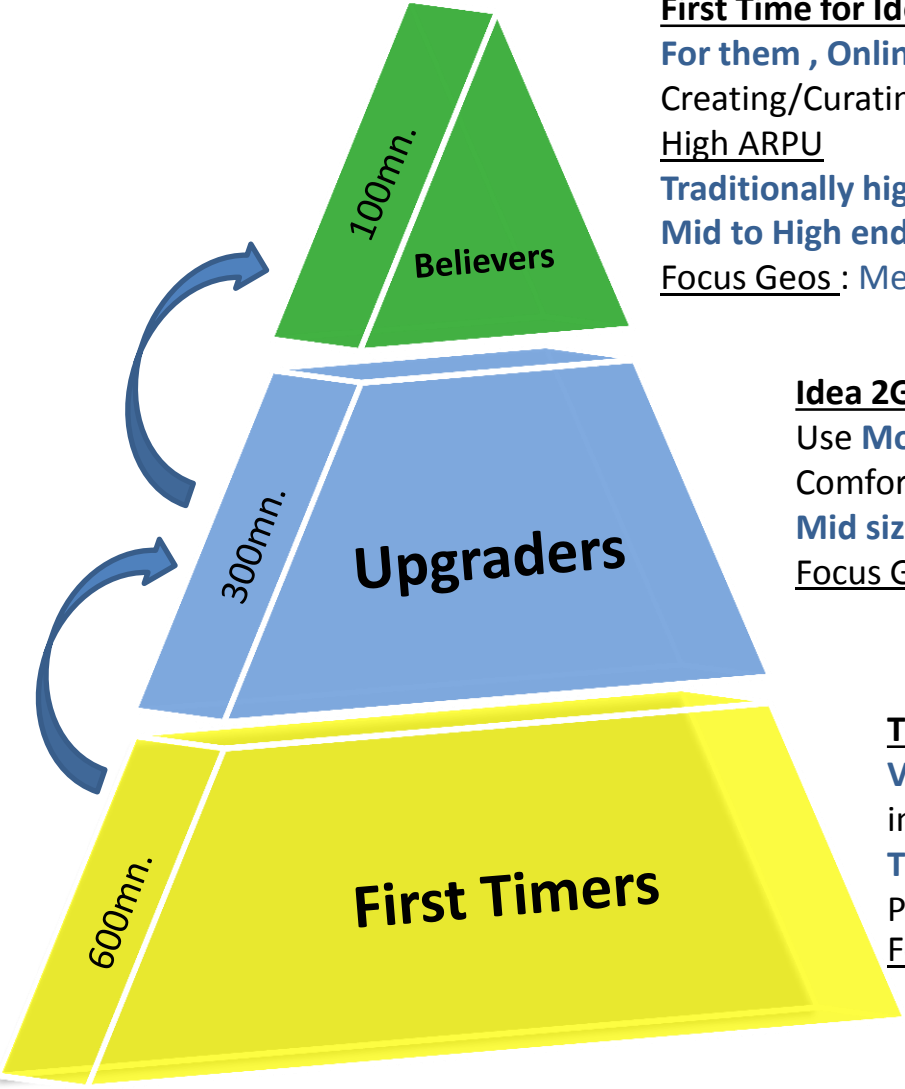
- Need for Mobile Voice services well established, consumers understood the proposition
- However, limited awareness and digital illiteracy create hurdles to 'Internet adoption', and therefore Mobile Data Services
- Indian masses yet don't understand the relevance of internet & data in their lives

**Idea's Communication focusses on
'Establishing the relevance of internet and data in the lives of Indians'**



Brand Philosophy

Reposition Idea to move the Idea Mobile Internet TG up



First Time for Idea

For them , Online life = Real Life

Creating/Curating/ Connecting online content

High ARPU

Traditionally high end, elite & knowledge workers

Mid to High end Smartphones (Rs. 15k +)

Focus Geos : Metros/LTC

Idea 2G/3G Users

Use **Mobile Internet** for surf /shop /social /entertainment

Comfortably move between online and offline

Mid sized smartphones (4" @ Rs. 8-10K)

Focus Geos : LTC/MTC

Traditional Idea Audience

Voice Users, First timers on 2G data- Lack of relevance of internet in work ,Not highly educated,

TV /Cinema the main source of entertainment

Primarily **Feature Phone**

Focus Geos: Tier 2&3 | HSM Rural : UP, MP, Raj, Bih, AP, Guj, Mah



In Rs. Crs

Financials Projections by Analysts

| | FY17 | FY18 | FY19 | FY20 | FY21 |
|-------------------------|----------|----------|----------|----------|----------|
| Gross Revenue | | | | | |
| Market Consensus | 2,16,401 | 2,35,593 | 2,57,967 | 2,83,030 | 3,06,409 |
| <i>Growth</i> | 12.1% | 8.9% | 9.5% | 9.7% | 8.3% |
| Data Revenue | | | | | |
| Average | 52,712 | 70,718 | 93,102 | 1,16,108 | 1,41,485 |
| <i>Growth</i> | 38.4% | 34.2% | 31.7% | 24.7% | 21.9% |

Based on information shared by 3 – 4 analysts

- Industry gross revenue forecasted to grow at 9.7% CAGR over next 5 years
- Data revenue growth to be faster @ 30.0% CAGR over the same period
- Idea delivering consistent revenue growth @ 16.5 CAGR over last 4 years
- Gaining RMS every year, incremental RMS of 30.4% over last 4 years



Thank you