



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 where 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 / advice may be obtained and necessary due diligence, investigation etc may be done at your end. You may also contact us directly for any questions or clarifications at our end.

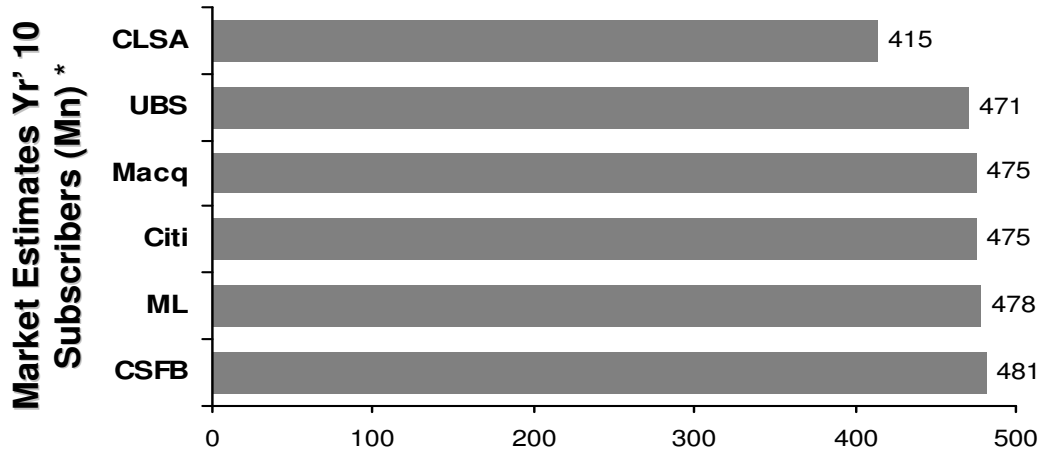
This presentation contains certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial condition and growth prospects, and future developments in our industry and our competitive and regulatory 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.

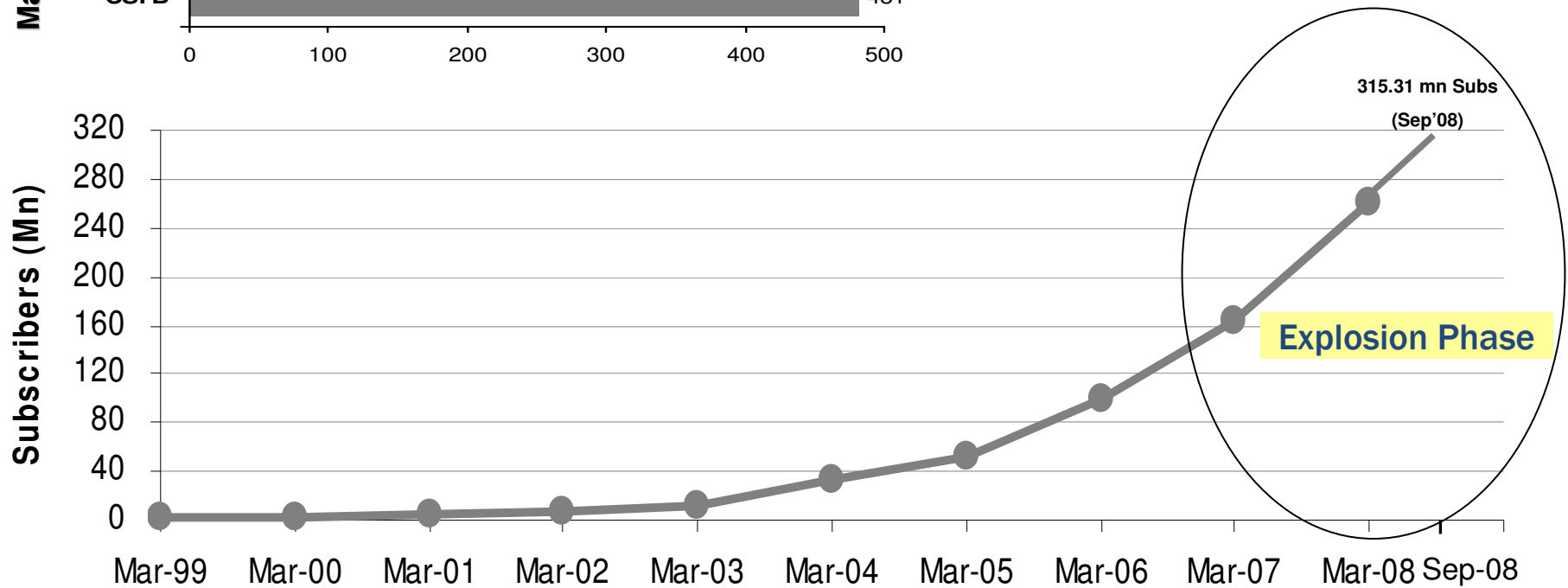
This presentation is not being used in connection with any invitation of an offer or an offer of securities and should not be used as a basis for any investment decision.

"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 – Fastest Growing

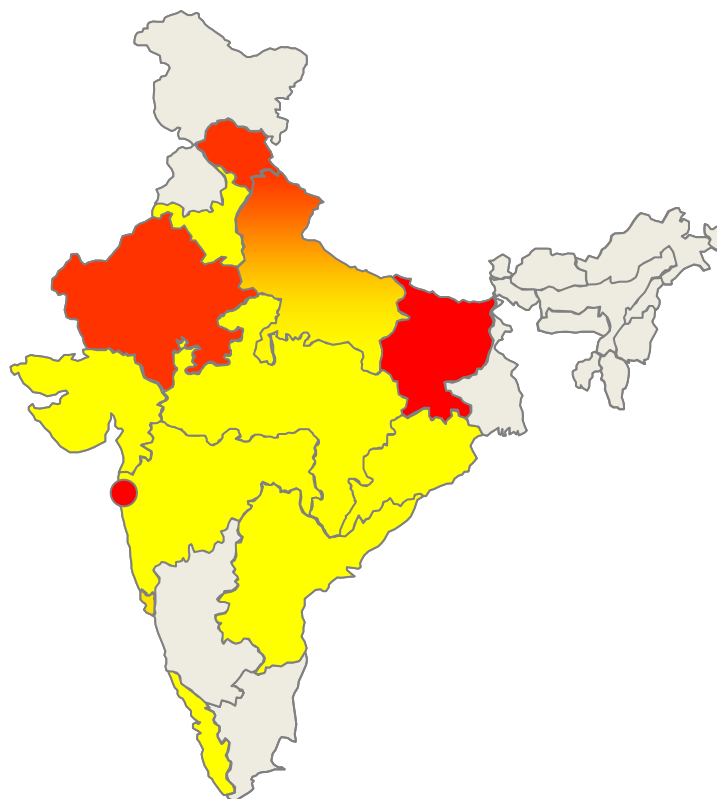


Reduced Cost of Entry
Expanded Network Coverage
Increasing Disposable Income
Reduced Cost of Handset Ownership



* Based on estimates given by research houses

Idea – Strong Operating Performance



 8 Established Service Areas

 5 New Service Areas

8 Established Service Areas			
Operator	Market Share *		
	Sep 30, 06	Sep 30, 07	Sep 30, 08
Bharti	18.5%	20.3%	20.5%
Idea	17.6%	18.4%	19.8%
Reliance	20.7%	17.7%	17.7%
Vodafone	16.2%	17.5%	17.8%
BSNL/MTNL	15.7%	14.8%	12.6%
TATA	11.3%	11.3%	11.5%

3 New Service Areas - Launched in Q3 FY 07		
Operator	Market Share *	
	Sep 30, 07	Sep 30, 08
Bharti	22.6%	27.5%
Idea	5.4%	6.3%
Vodafone	23.3%	22.1%
BSNL	23.3%	18.9%
Reliance	16.4%	16.0%
TATA	8.6%	8.8%

❖ Launched Mumbai Operation in Aug'08 and gained ~ 20% of net adds in Sep'08, with 0.1 million subscribers

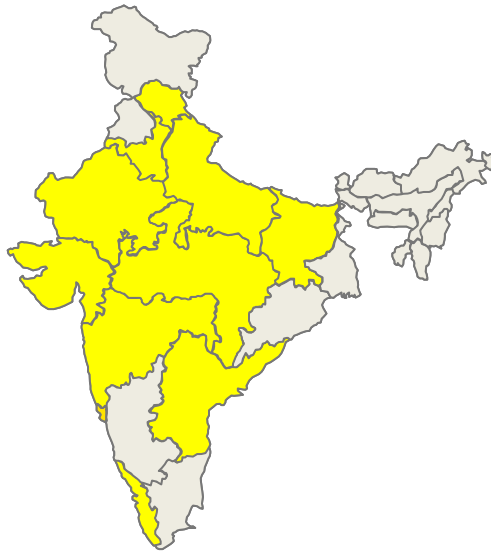
❖ Launched Bihar operation in Oct'08

* Estimates based on COAI and AUSPI data, BSNL WLL-M subs has not been included and MTNL WLL – M subs are as of June'08

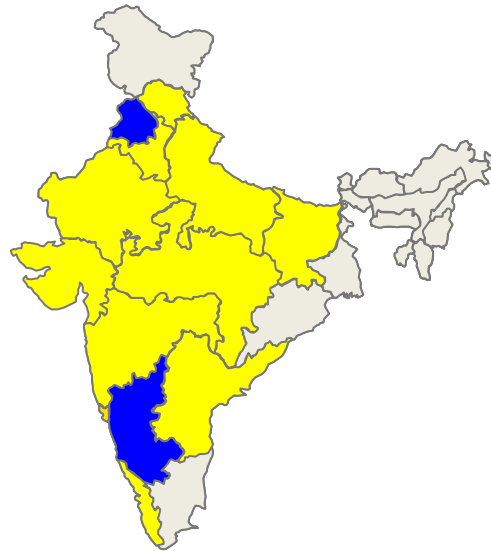
Idea – Expanding Footprint



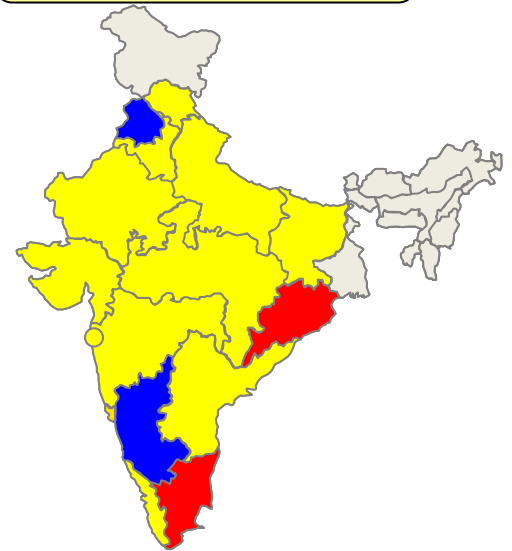
Current Operations



Post Spice Merger



Post Launch in Tamilnadu and Orissa



No. of Operational Service Areas	13	15	17
National Market Share *	9.8%	11.0%	NA
Subscriber Coverage	67%	78%	90%
No. of Service Areas in 900Mhz	7	9	9
% of Subscribers Pan India, Covered by 900 Mhz	39%	50%	50%

* Estimates based on COAI and AUSPI data, BSNL WLL-M subs has not been included and MTNL WLL – M subs are as of June'08

Strong Balance Sheet and Cash Position



1 TMI Transaction

- ❑ TMI has invested INR 73bn in Idea through issue of 464.73 mn shares at a price of Rs 156.96 per share
- ❑ Funds will be used for capital expenditure for expansion in new as well as existing service areas and for 3G auction

2 Providence

- ❑ Providence to invest approx INR 27bn through CCPS in ABTL, a 100% subsidiary of Idea Cellular
- ❑ ABTL includes Bihar Operations and 16% stake in Indus

3 Spice Merger

- ❑ A regional player, having presence in Punjab and Karnataka circles with around 3.6 mn subs (Sep'08)
- ❑ Holds 7.8 Mhz spectrum in Punjab and 6.2 Mhz in Karnataka, both in 900 Mhz
- ❑ Will reduce the time to market in two high income service areas

4 Strong Balance Sheet

- ❑ Net Debt to Equity ratio of 0.28 and cash of ~ Rs 67 bn, as of Sep'08
- ❑ Strong balance sheet capable of driving strategy for the future

Creating Brand Preference



Strong Brand



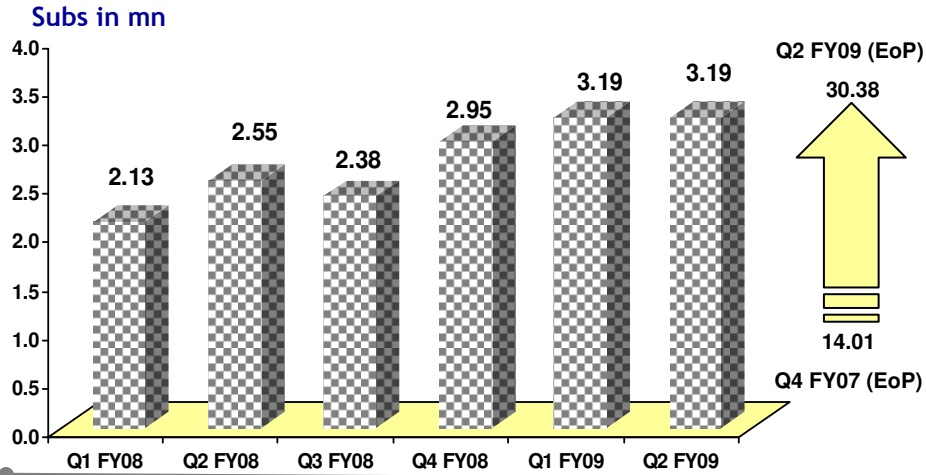
Nationwide campaigns



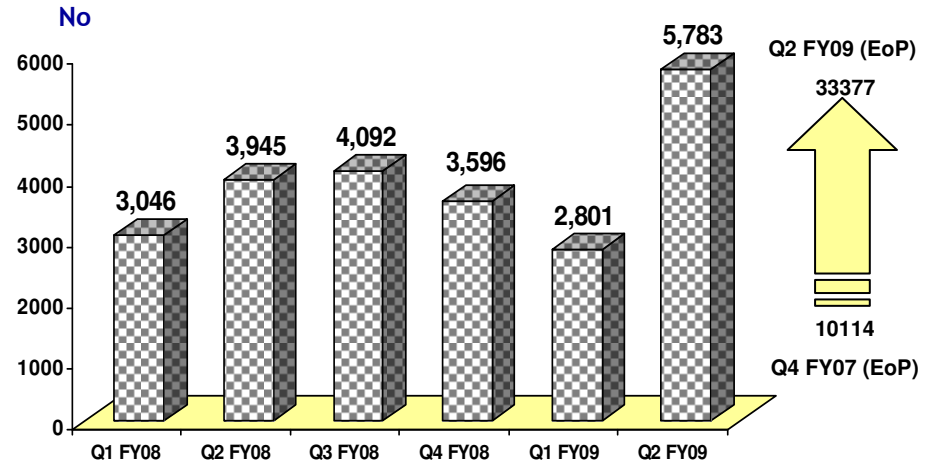
Building Strengths



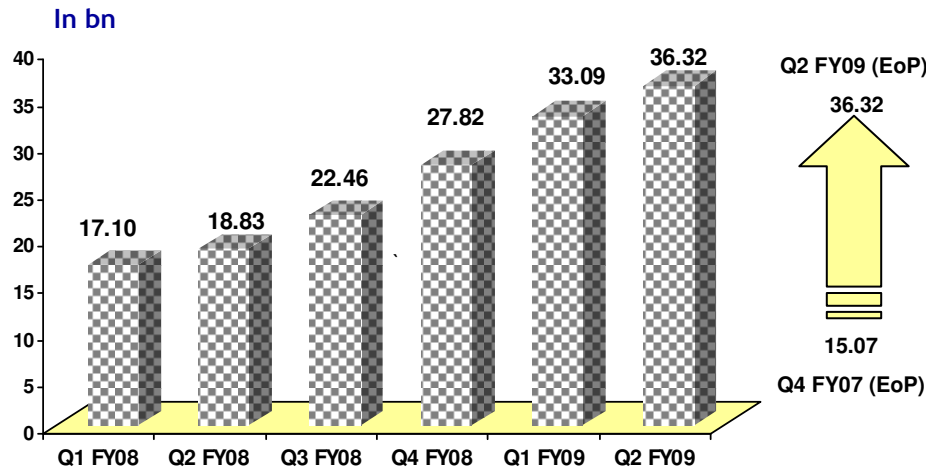
Subscriber Addition (QoQ)



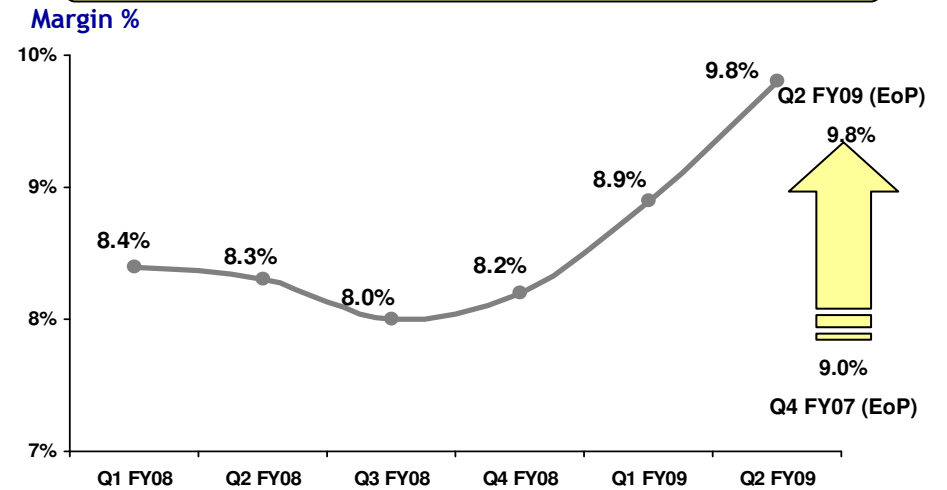
Cell Site addition (QoQ)



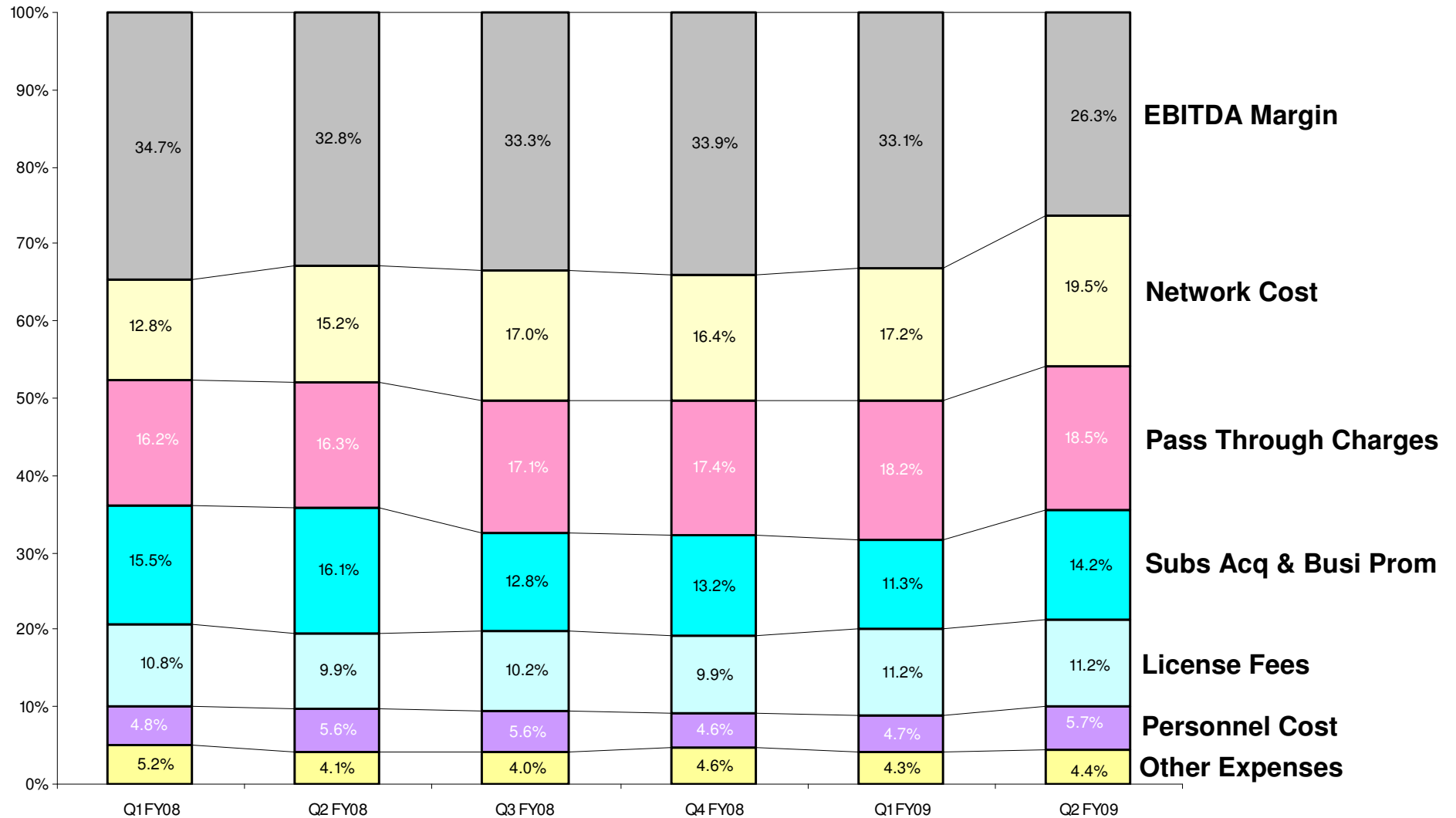
Total Minutes on Network (QoQ)



VAS Revenue (% of ARPU)



Investing For Long Term Competitive Advantage



Expansion Plans



1

Launch in New Service Areas

- ❑ Launched Mumbai in Aug'08 and Bihar in Oct'08
- ❑ Launching operations in Tamilnadu and Orissa during FY 09

2

Spice Acquisition

- ❑ With Punjab and Karnataka circles, Idea will cover 90% of India's telephony potential

3

Indus Towers

- ❑ Opportunity of rapid expansion in 5 New service areas and deeper coverage in existing service areas
- ❑ Economies in OPEX and CAPEX

4

NLD/ILD Expansion

- ❑ Expansion of NLD network and ILD operations to reduce roaming and access charges

5

Capital Expenditure

- ❑ Capex plan of ~Rs. 75bn during FY 08-09 for existing service areas and new launches (excluding 3G capex)
- ❑ Growth from 11 circles to 15 circles with increase in subscriber coverage from 60% to 80% (90% subscriber coverage, including Spice)



Appendix

About Idea

Emergence of Idea



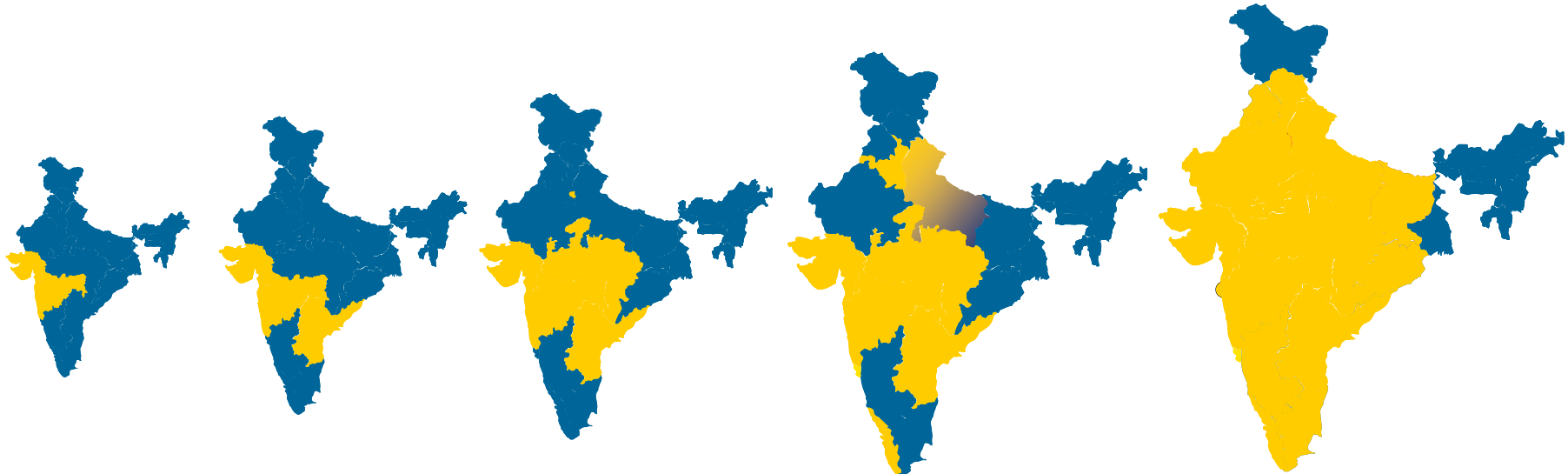
1997
2 Service Areas

2000
3 Service Areas

2002
5 Service Areas

2004
8 Service Areas

2006 – Mar'09
11 to 17 Service Areas



Commenced operations in Maharashtra & Gujarat

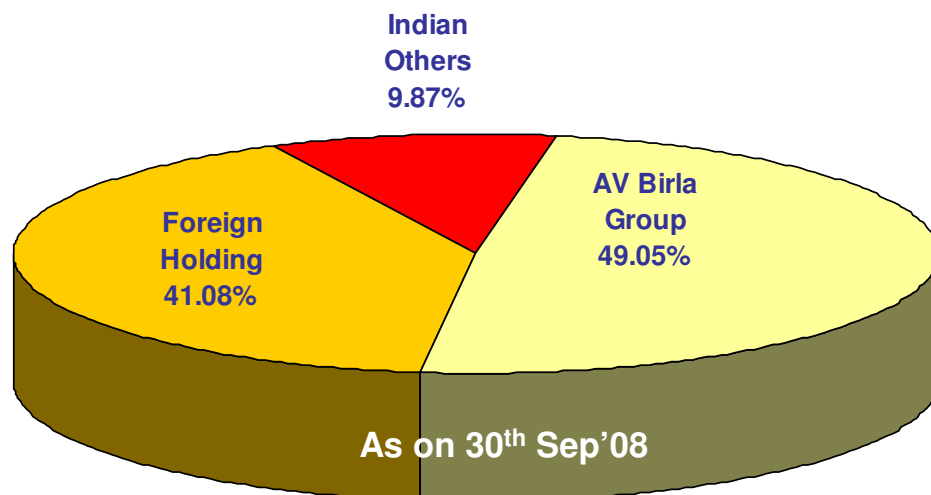
Merged with Tata Cellular (Andhra Pradesh)

Acquired RPG Cellcom (Madhya Pradesh)
Commenced Delhi operations

Acquired Escotel (Haryana, UP(W), Kerala)

Launched HP, Raj, UP(E), Mumbai and Bihar
Added Spice (Punjab and Karnataka)
Planned Launch for TN and Orissa (FY09)
License for remaining 5 service areas
Indus Towers

Shareholding

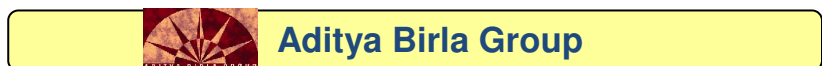


Total Foreign Holding Limit	74.00 %
Direct Foreign Holding (30 Sep 08)	41.08 %
Indirect Foreign Holding (30 Sep 08)	10.66 %
Direct + Indirect Foreign Holding	51.74 %

Top 10 Shareholders – Sep 30, 2008

ADITYA BIRLA NUVO LIMITED	27.02%	GRASIM INDUSTRIES LTD	5.51%
TMI MARITUS	14.99%	MONET LIMITED	2.89%
P5 ASIA INVESTMENTS (MAURITIUS)	10.64%	HSBC GLOBAL INVESTMENT FUND	2.65%
BIRLA TMT HOLDINGS PVT LTD	9.15%	WAGNER LIMITED	1.98%
HINDALCO INDUSTRIES LIMITED	7.37%	LIC OF INDIA MONEY PLUS	1.27%

Promoter Group



Anchored by over 100,000 employees from over 25 different nationalities

Global player in non-ferrous metals, carbon black, viscose staple fibre, BPO and chemicals

Leading player in cement, branded apparel and financial services

One of India's most respected business groups

Earned the distinction of 'The Best Employer in India- 2007' (ranked # 1)*

Strong confidence of all stakeholders, lenders, and vendors

Scope for exploiting synergies within the Group to create value

*And one of the Best in Asia-2007 (ranked # 16) as per The Best Employers Study 2007, conducted by Hewitt Associates in partnership with Economic Times (India) and the Wall Street Journal (Asia)

Partners



**GSM Network in
Maharashtra,
Gujarat, Madhya
Pradesh, Rajasthan,
Himachal Pradesh
and Mumbai**



**Transformational IT
outsourcing**

**IVR managed
services**



**GSM Network in
Delhi, Andhra
Pradesh, Haryana,
Kerala, Uttar Pradesh
(E), Uttar Pradesh (W)
and Bihar**

Partnership in Indus



1

Purpose and Coverage

- ❑ To Provide passive infra to all Mobile operators on non-discriminatory basis
- ❑ Will cover 15 Service areas out of 22 service areas covering 10 Idea Service areas

2

Operations

- ❑ De-merger and Merger, court driven process of typically 6 – 12 months
- ❑ Indus Arrangements will be effective in Q3 FY08-09

3

Idea's Share

- ❑ Idea holds 16% stake in Indus Towers
- ❑ Idea to transfer ~11200 towers as on Sep'08 in line with its 16% shareholding

4

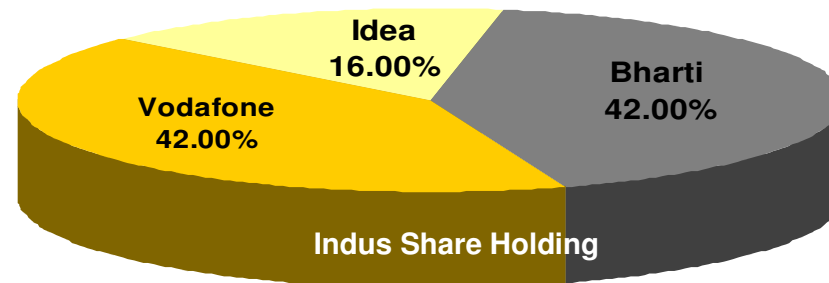
Effect on Profitability

- ❑ On Standalone basis, EBITDA impact will be downward but on Consolidated basis, there may not be any significant impact

5

Benefits

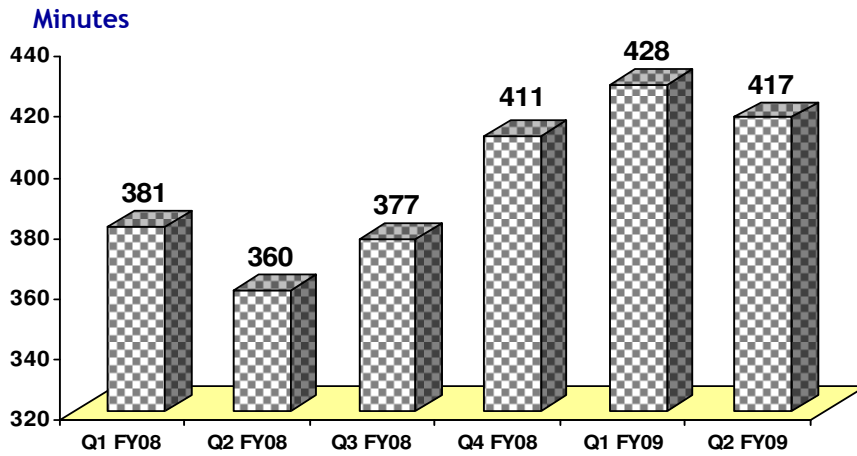
- ❑ Opportunity of rapid expansion in 5 New service areas
- ❑ Provide deeper coverage in short span in existing service areas
- ❑ Provide economies in OPEX and CAPEX



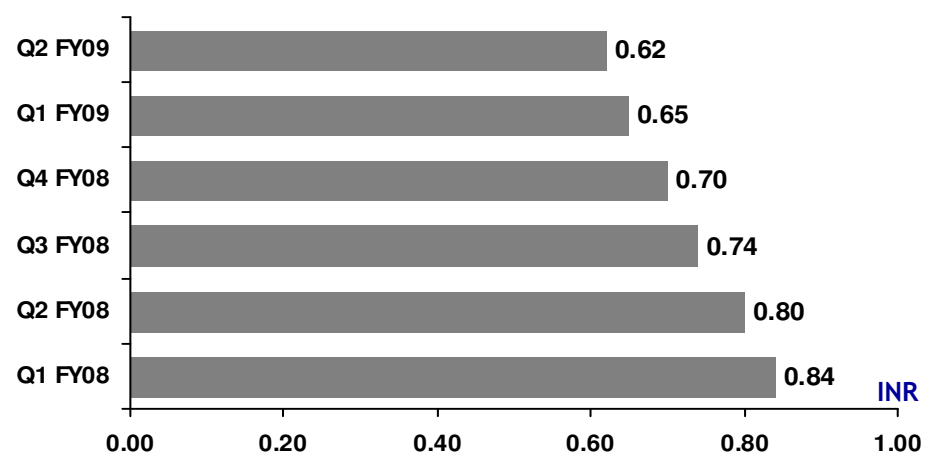
Key Trends



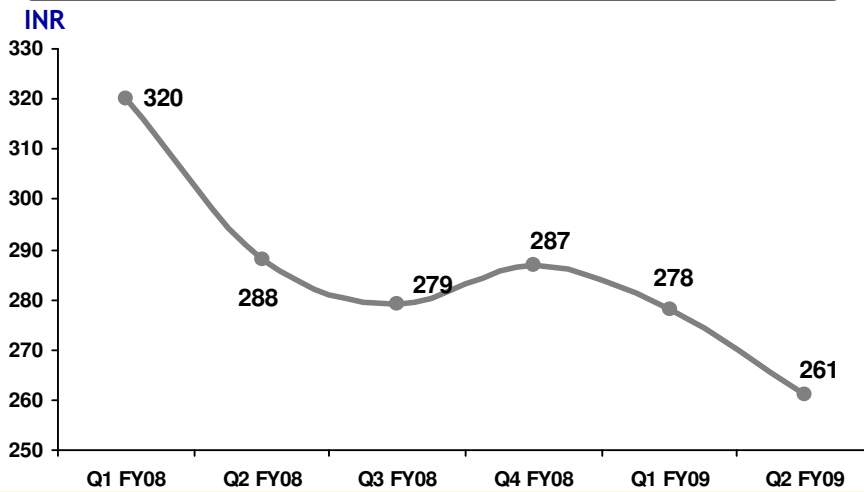
Minutes of use per user per month



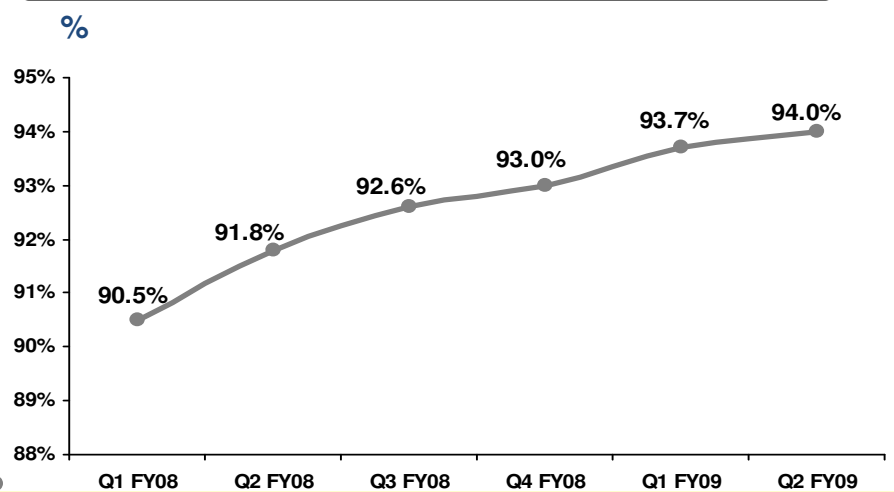
Realized rate per minute



Average revenue per user per month



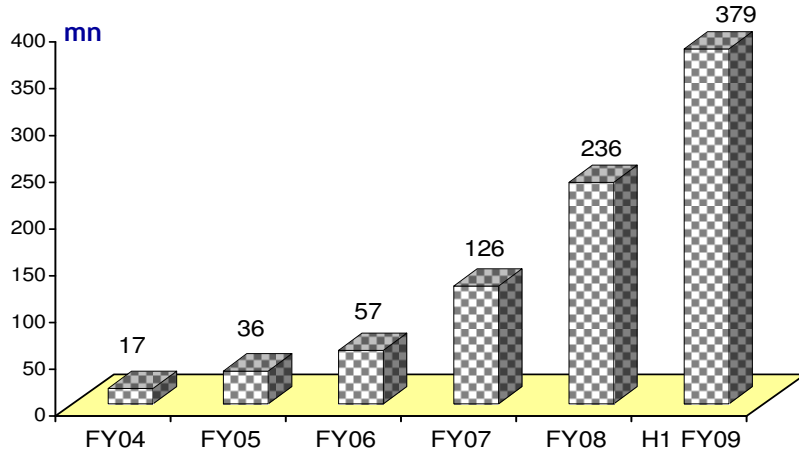
Pre paid subscribers as % of total sub



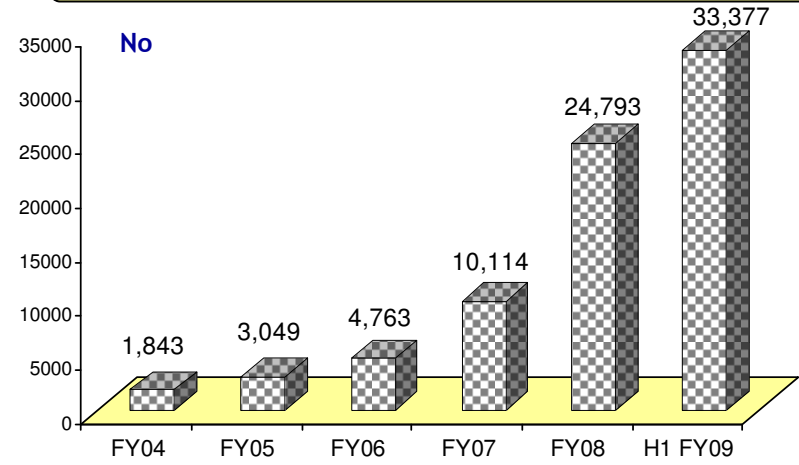


Operating Matrix

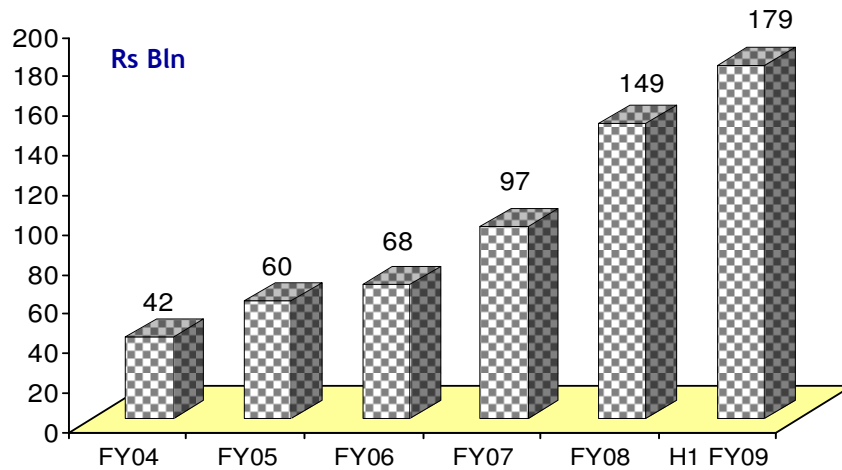
Increase in Daily Minutes of Usages



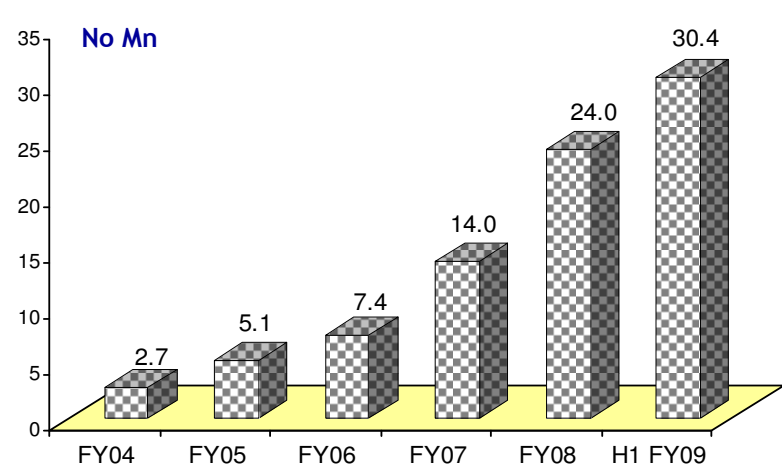
Cell Sites



Cumulative Investments



Subscriber Base

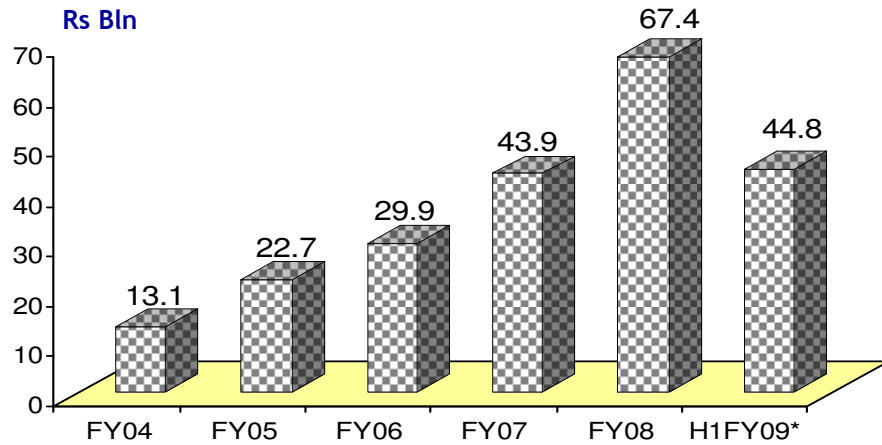


Financial Matrix

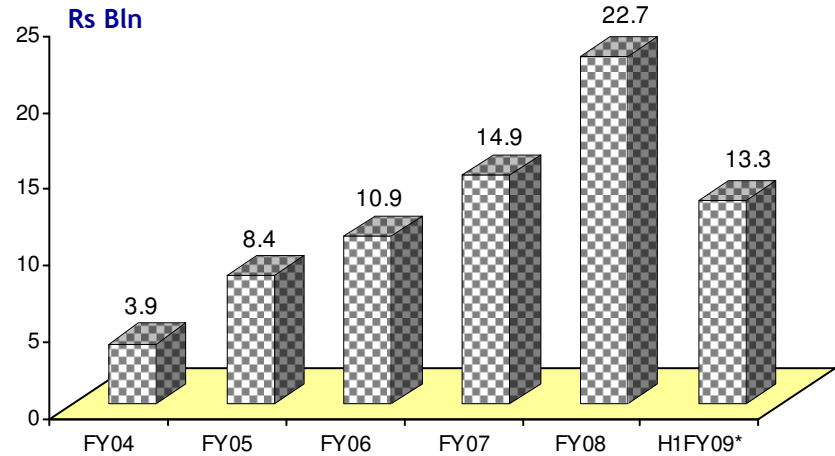


*FY09 figures are for 6 months only

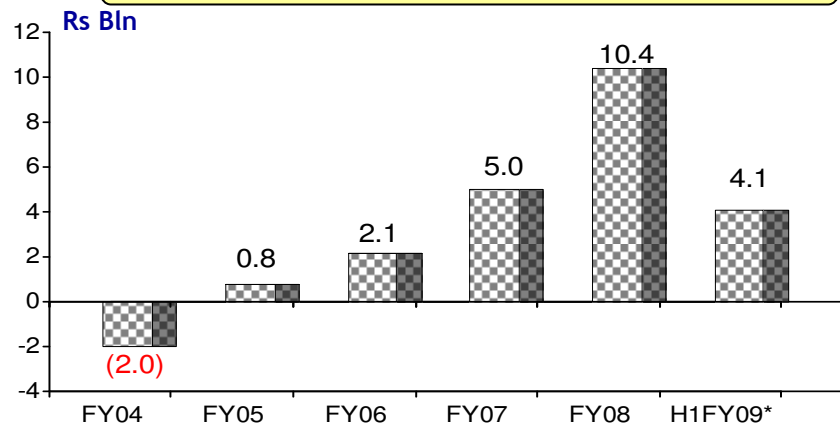
Robust Growth in Top Line



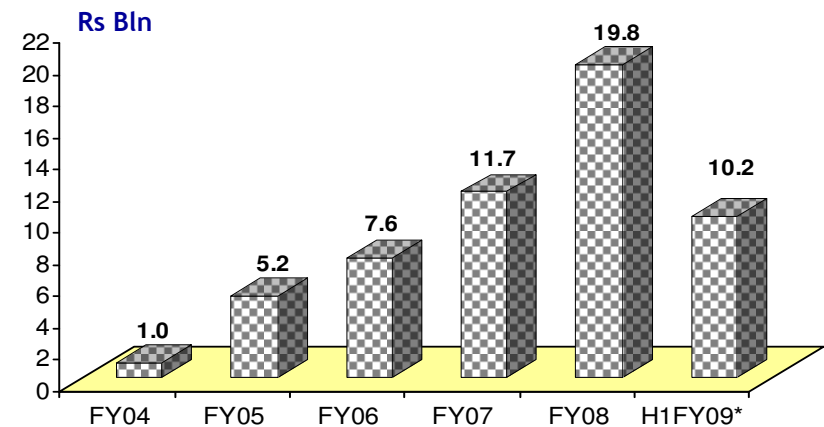
Robust Growth in EBITDA



Robust Growth in Net Profits



Robust Growth in Cash Profits



!dea™

Thank You

ADITYA BIRLA GROUP