



# Idea Cellular Limited

## Investor Presentation

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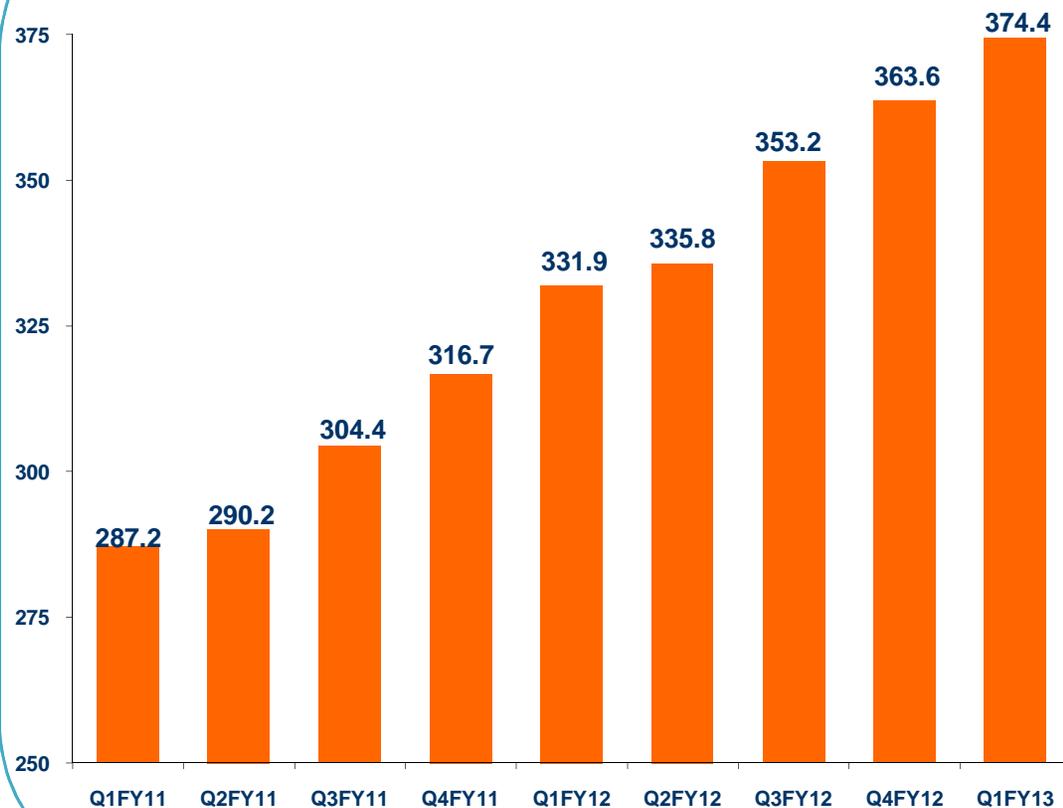
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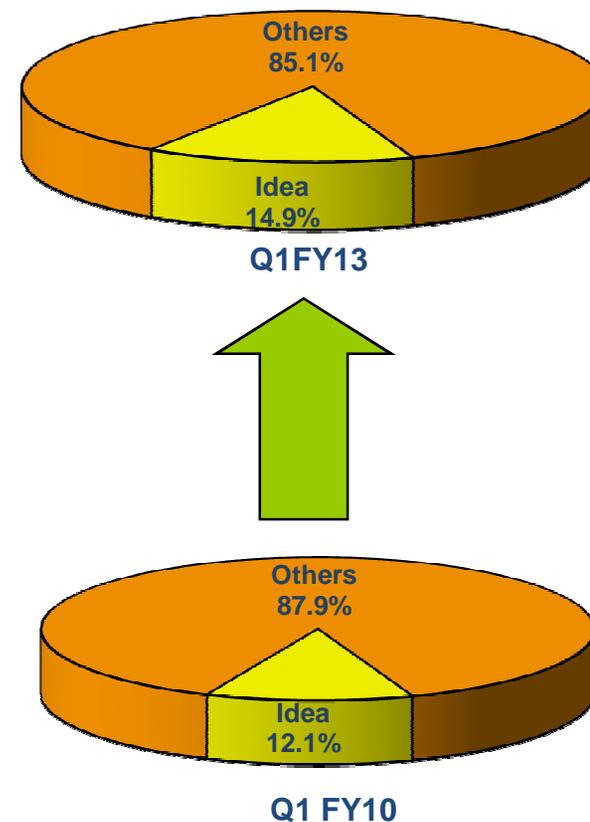
# Indian Wireless Sector – Revenue Trend



### Sector Gross Revenue (INR bn)

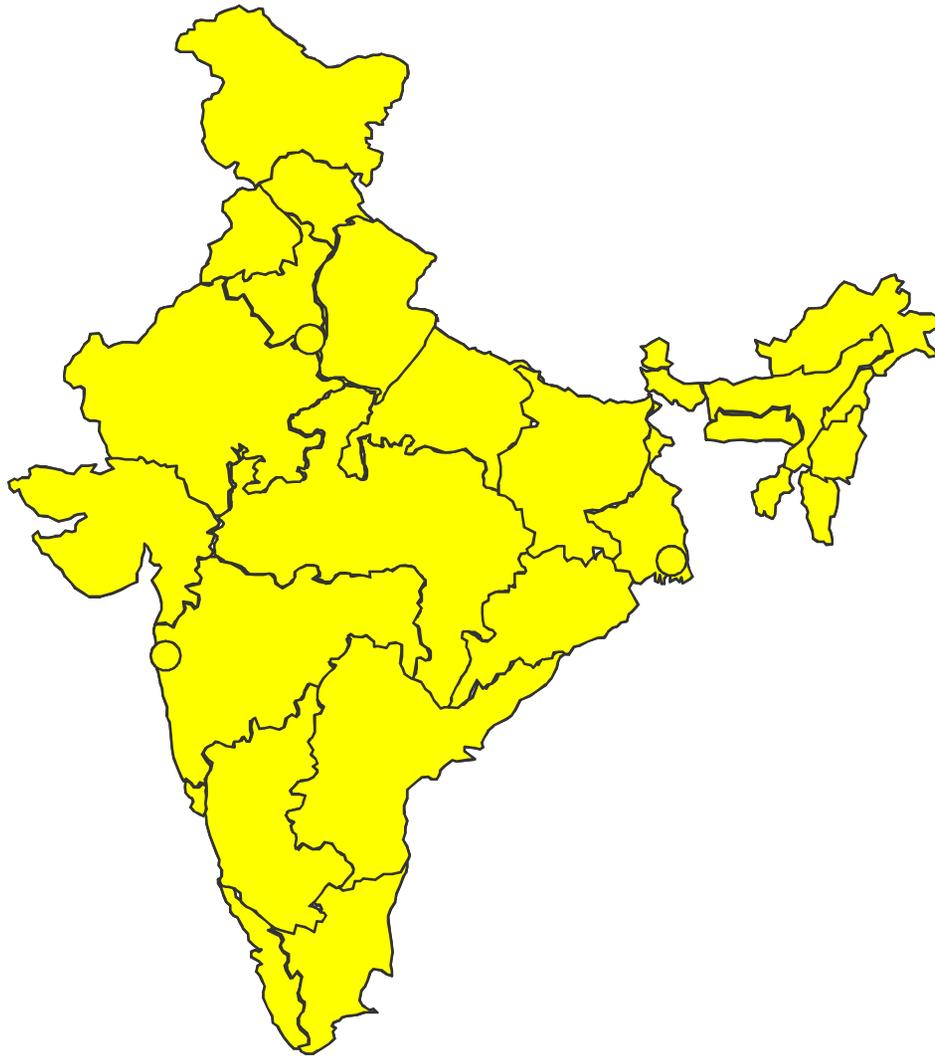


### Idea - Increase in Revenue Market Share



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

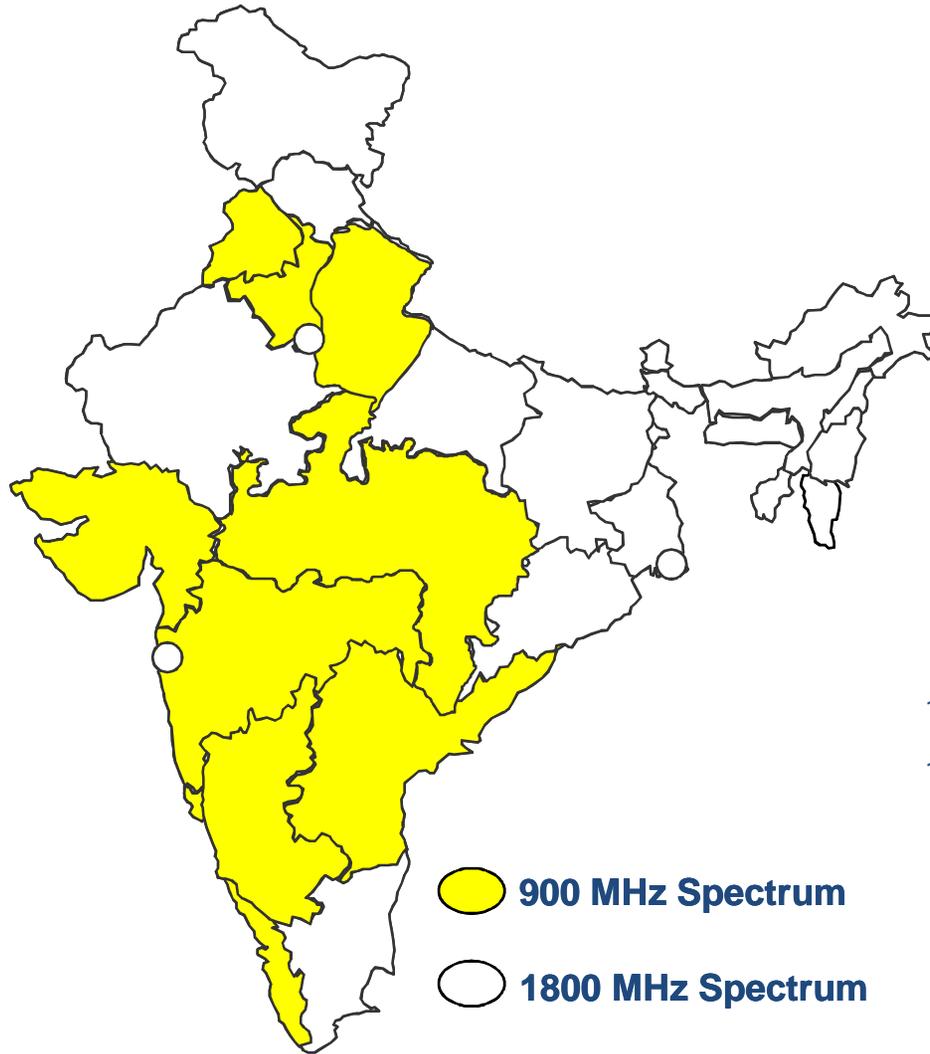
# Idea – An Overview



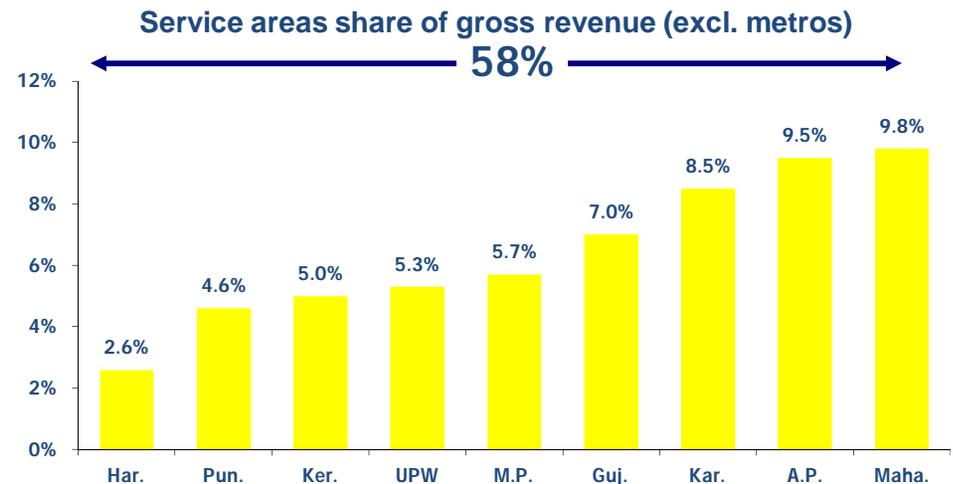
- A pan India 2G service provider
- Won 3G spectrum in 11 service areas
- Third largest operator in India, by Mobility Revenues#
- Minutes on network over 1.4 bn per day (Q1FY13), placing it among the top 10 operators globally
- Leads the industry, in terms of active subscribers, as more than 92% of reported subscribers are on VLR
- Highest number of Net subscribers additions under MNP
- Owns 9,267 towers, besides 11,094 towers transferred to Indus under IRU
- Over 70,000 km optical fibre cable (OFC) network
- Idea's NLD carries ~95% of captive outgoing minutes
- Idea's International Long Distance Operations (ILDs) carry 98% of captive outgoing minutes. Total Minutes carried on ILD ~ 300 mn in July'12
- Idea ISP carries ~70% of it's own data traffic. Total data traffic carried in July'12 was over 100 TB per day

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

# Competitiveness Lever 1 - Spectrum



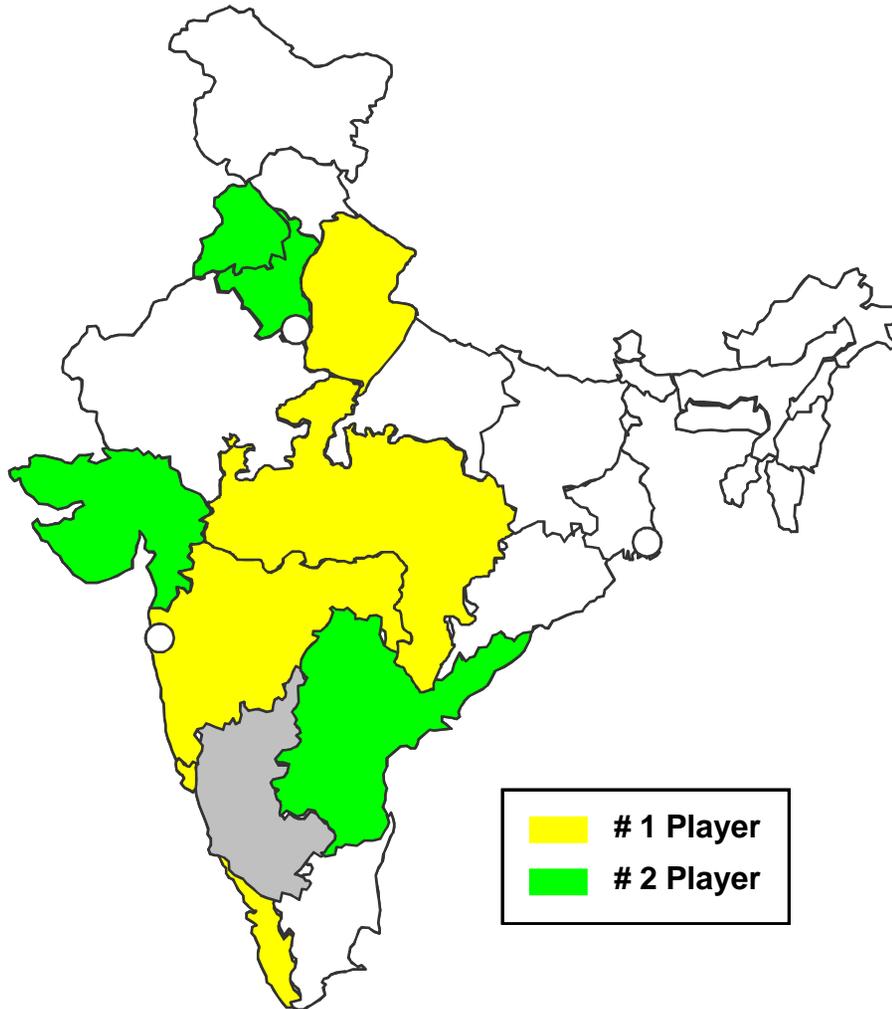
- 900 MHz spectrum band provides capex/opex advantage, compared to 1800 MHz
- 900 MHz spectrum also accompanied by early mover advantage
- Idea holds 900 MHz spectrum in 9 service areas, covering
  - ~ 48% of national revenue and ~72% of Idea's revenue
  - ~ 58% of national revenue base (excl. metros\*)
- Idea's spectrum profile is very attractive across all private operators



Source: Data released by the TRAI & Company estimates for Q1FY13, revenue for UAS and Mobile licenses only

\* Metros as Mumbai, Delhi and Kolkata

# Competitiveness Lever 2 - Scale within Service Area



# 1 Player  
 # 2 Player

Service Area (900 MHz)	Revenue Mkt Share <sup>1</sup> (RMS)	Rank <sup>2</sup>
M.P.	33.3%	1
Kerala	33.1%	1
Maharashtra	27.5%	1
UP (W)	26.6%	1
Haryana	23.4%	2
Punjab	21.0%	2
Gujarat	18.3%	2
A.P.	17.7%	2
Karnataka	9.6%	4
<b>Total</b>	<b>22.5%</b>	<b>2</b>

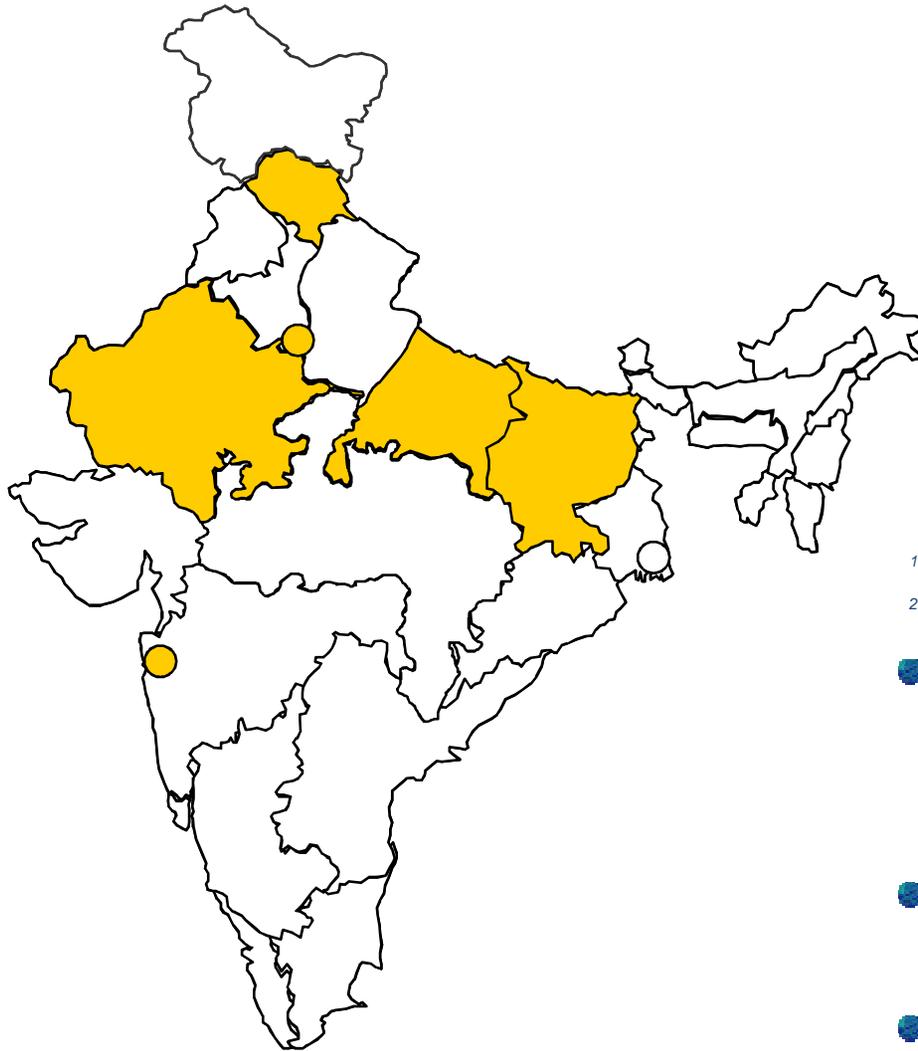
<sup>1</sup>Based on gross revenue for Q1FY13, as released by TRAI & Company estimates

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

**In 9 service areas, comprising ~ 48% of national revenue market & ~72% 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	13.1%	3
Rajasthan	11.6%	3
Delhi	11.2%	3
Bihar	10.4%	4
H.P.	9.2%	5
Mumbai	8.3%	5
<b>Total</b>	<b>10.9%</b>	<b>3</b>

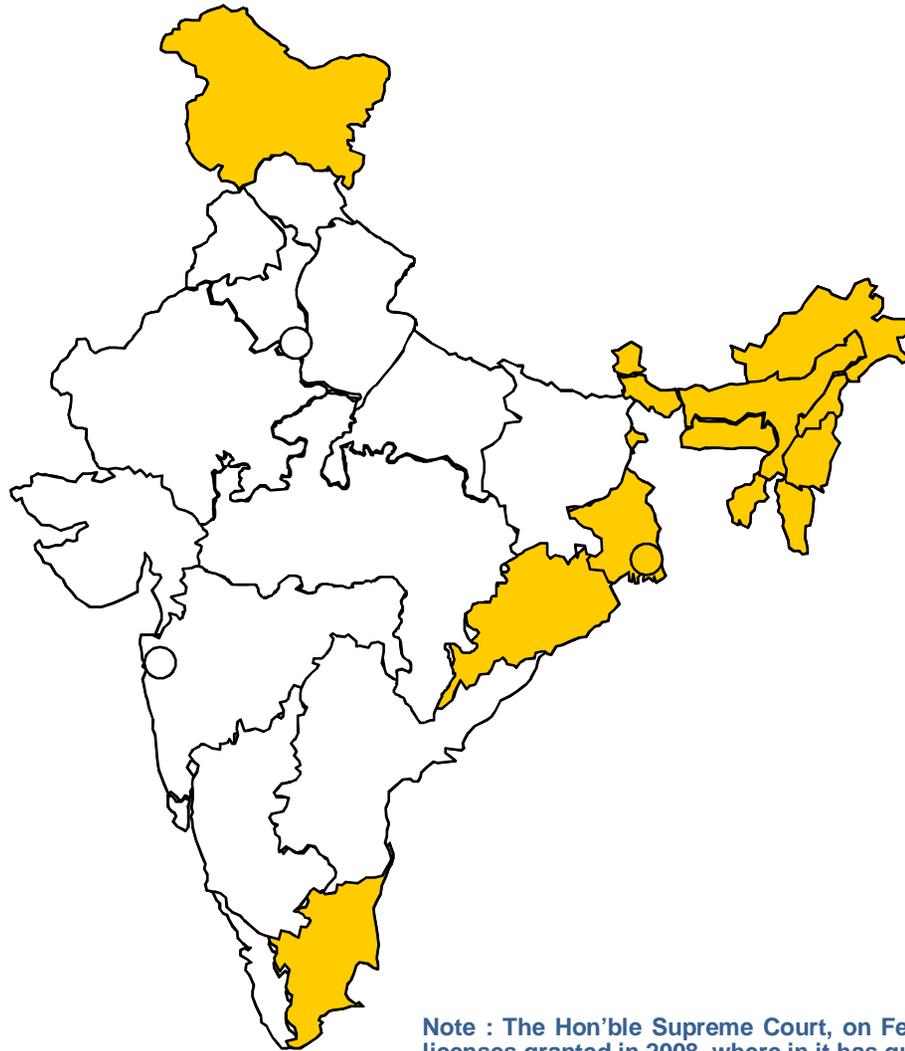
<sup>1</sup>Based on gross revenue for Q1FY13, as released by TRAI & Company estimates

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

- Idea has increased its combined RMS from 8.4% in Q1FY11 to 10.9% in Q1FY13, improving its position from 5<sup>th</sup> to 3<sup>rd</sup> ranked operator, in these service areas
- These service areas cover ~32% of all India revenue and ~23% of Idea's revenue
- With continuous improvement in RMS, Idea is emerging stronger

# 1800 MHz Operations (7 New Service Areas)

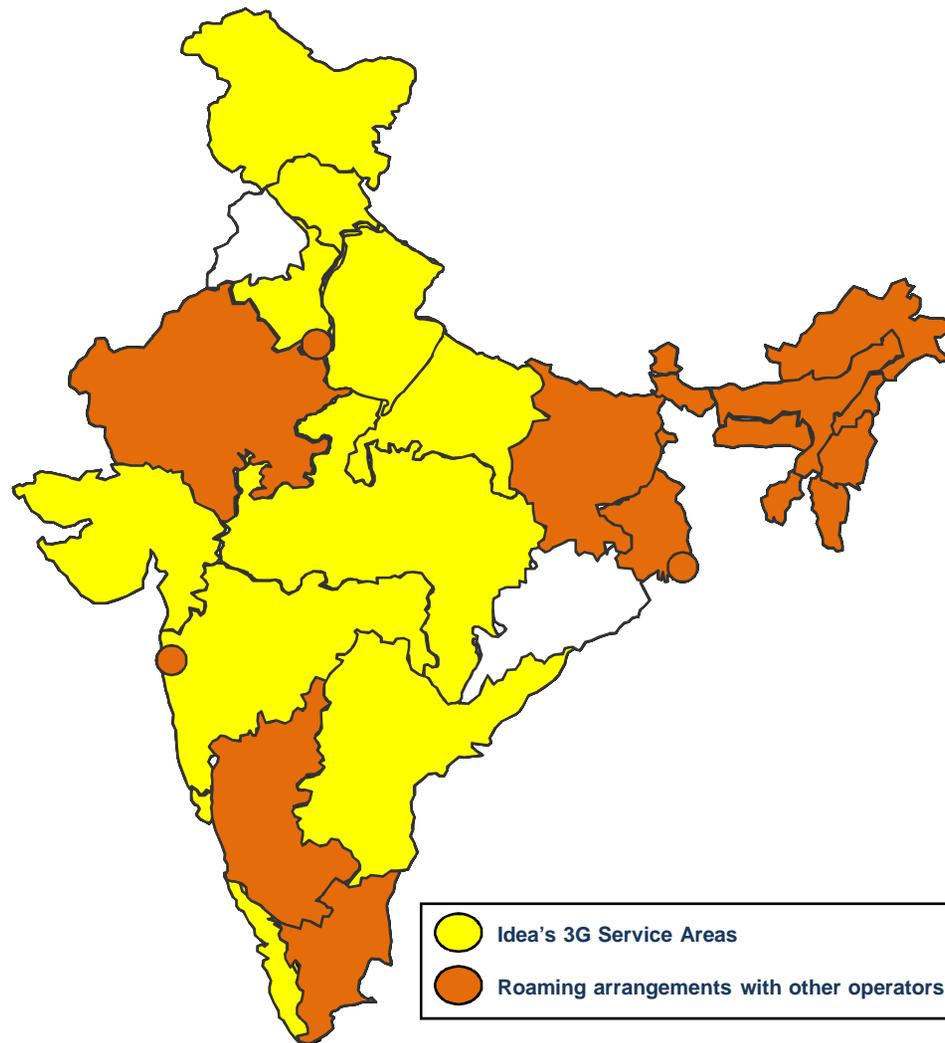
Focus On Optimisation, Not Maximisation



- Providing pan India footprint
- Leverage synergies of pan India operations i.e. roaming, NLD, ad spend, common network elements, etc.
- Infra sharing to reduce capex, and quicker time to market
- Focus on operational and financial goals, not league tables
- Combined RMS of 3.3% in Q1FY13, potential for future growth

Note : The Hon'ble Supreme Court, on February 02, 2012, has delivered its judgment on PILs in the matter of telecom licenses granted in 2008, where in it has quashed all telecom licenses granted vide press release dated Jan 10, 2008. This includes the above 7 service areas, where Idea has rolled out its services. Post above judgment the Hon'ble Supreme Court allowed these licenses to be operative till Jan 18, 2013.

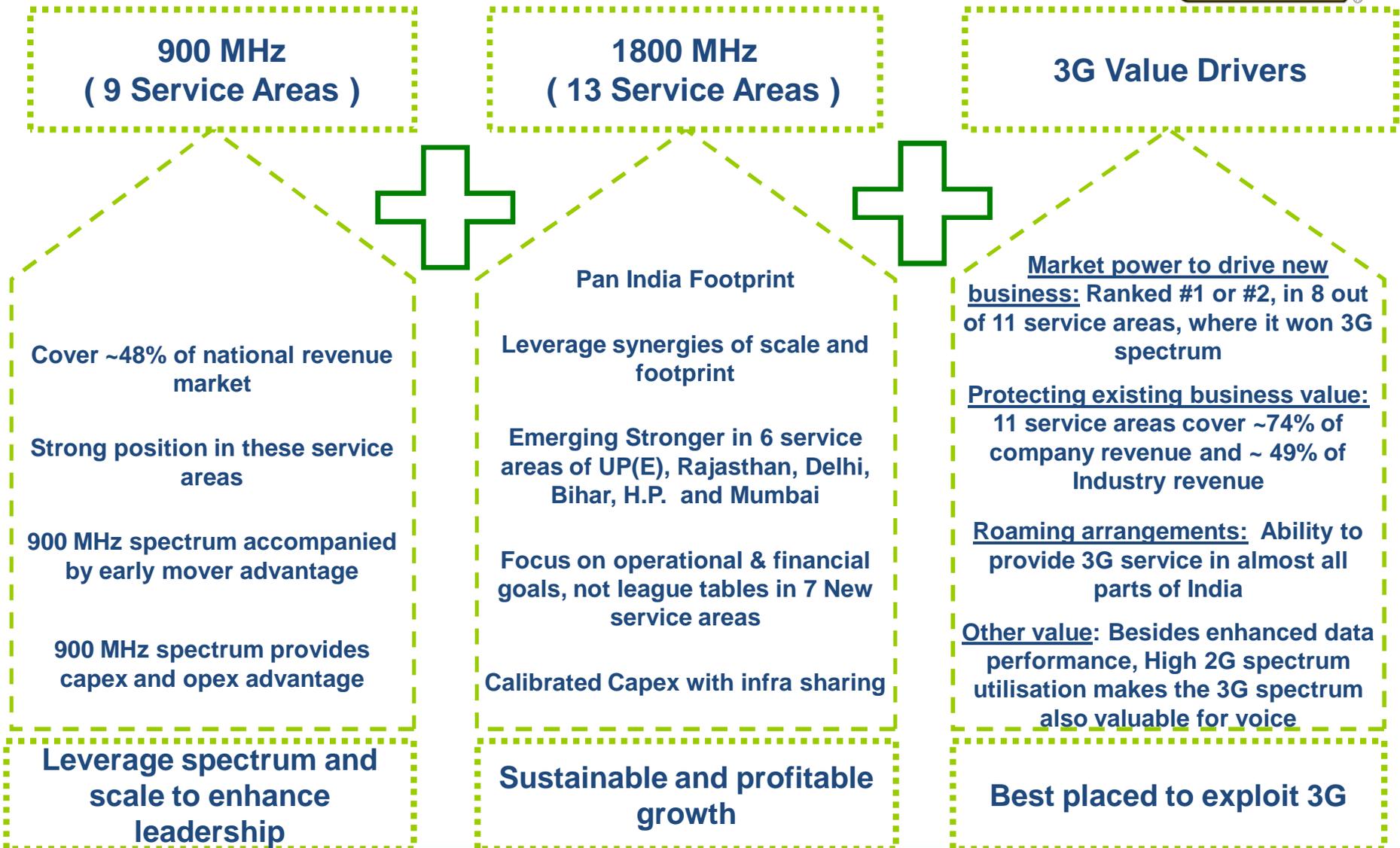
# 3G Footprint



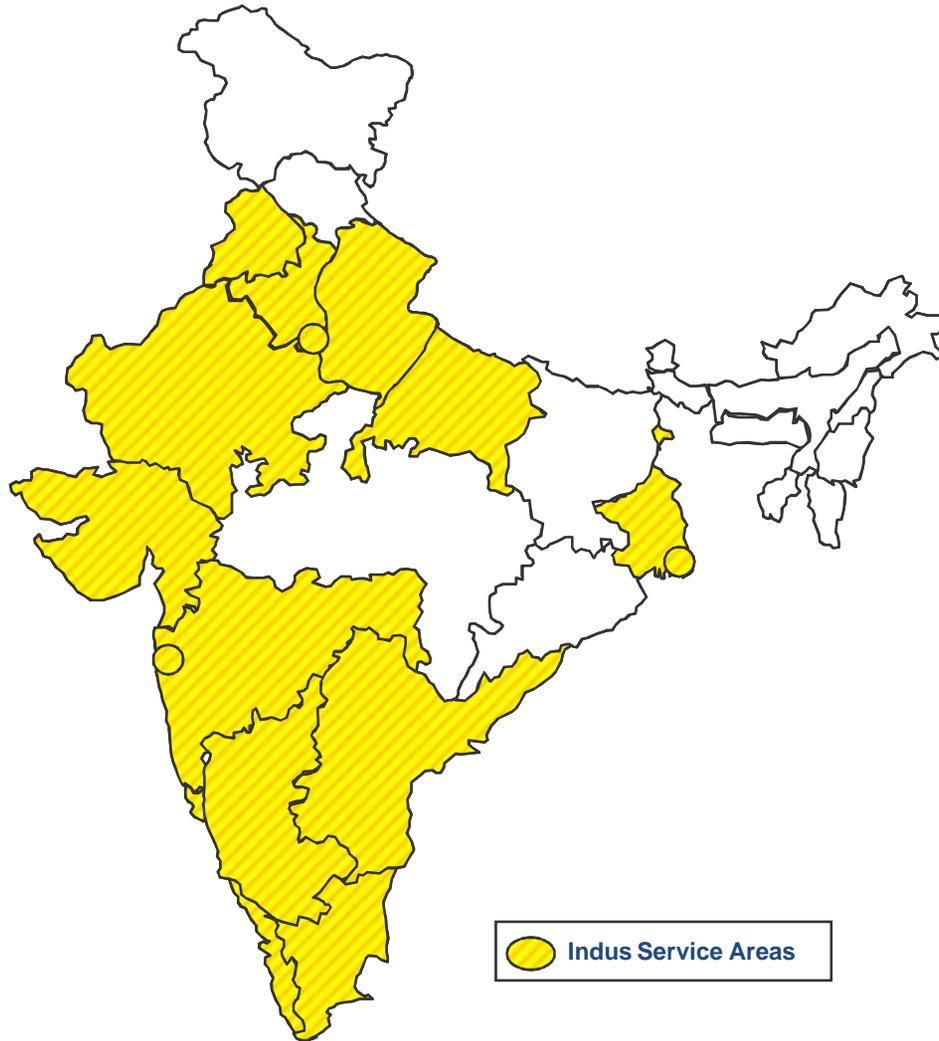
- Idea launched 3G services in 10 service areas, out of 11 service areas where it won 3G spectrum
- Having 13,363 3G sites in these service areas (Jun'12)
- Launched 3G services under roaming arrangements for the service areas of Mumbai, Bihar, Karnataka, Rajasthan, West Bengal, Delhi, Kolkata, Tamil Nadu (incl. Chennai), Assam and North East
- With these arrangements Idea currently offers 3G services in 20 service areas
- Around 3.1 mn 3G subs with average data usage of 375 MB and data ARPU of Rs. 88

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

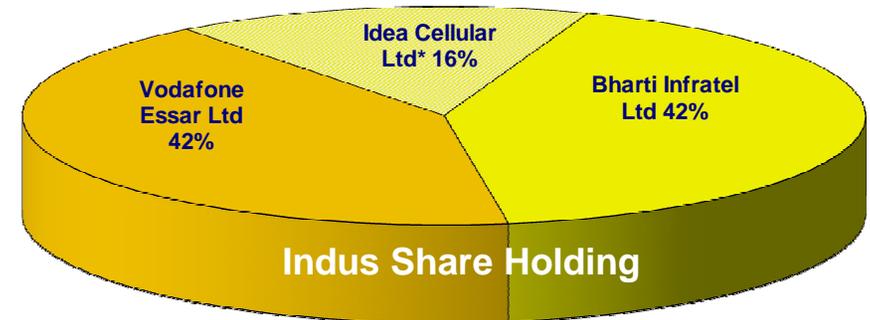
# Idea – Long Term Shareholder Value



# The Indus Advantage



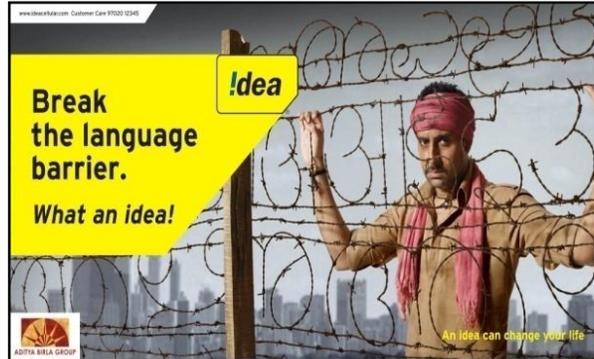
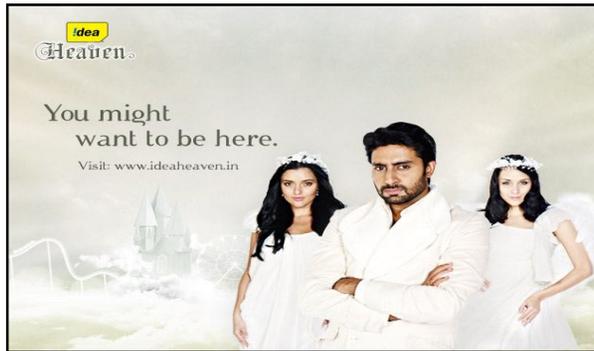
- Provides passive infrastructure services in 15 service areas
- Largest independent tower company in the world with more than 109,000 towers
- Indus benefits from assured tenancy from promoters (combined revenue market share of ~68%\*), apart from other operators
- Idea benefits by reduced capex, speed to market, and embedded value of shareholding



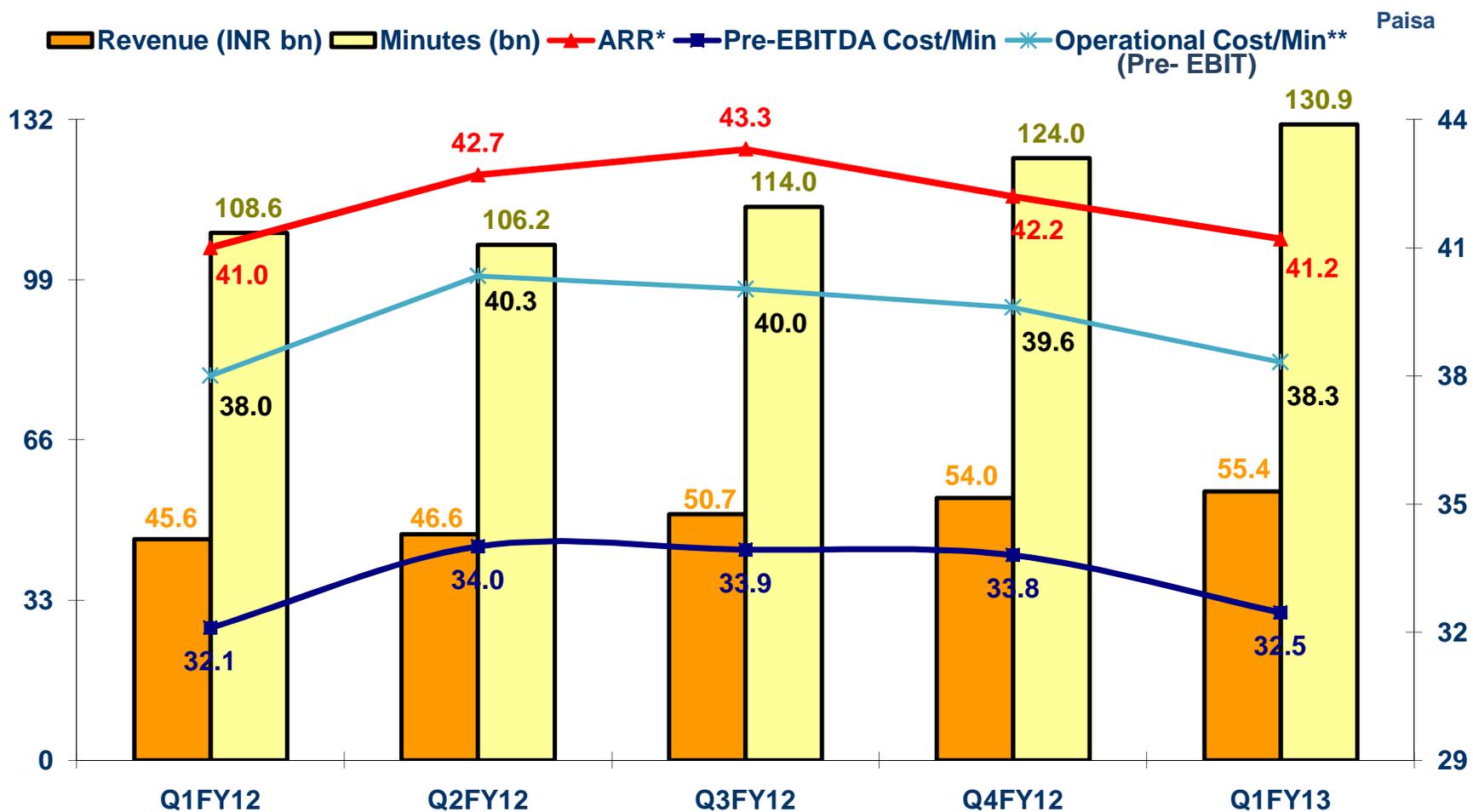
\* Data released by the TRAI & Company estimates ; revenue for UAS and Mobile licenses only

\*through Aditya Birla Telecom Ltd.

# Idea – A Power Brand



# 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

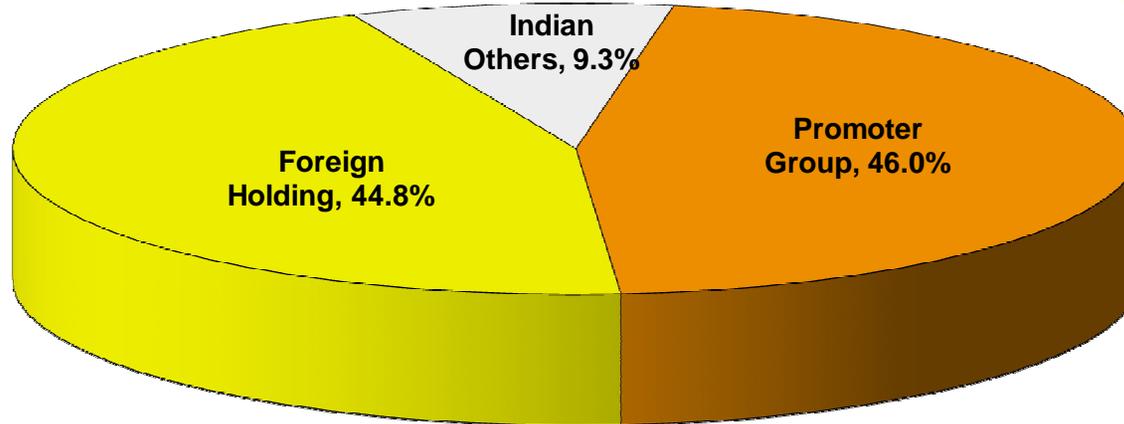


INR Million	Q1 FY10	Q1 FY11	Q1 FY12	Q1 FY13
Gross Debt	60,879	97,752	104,323	116,120
Cash & Equivalent	26,564	1,183	534	1,265
Net Debt	34,315	96,569	103,788	114,855
Net Worth	136,502	116,123	124,341	131,096
Cash Profit	7,314	7,213	8,609	10,502
Financial Ratios				
Net Debt to Net Worth	0.25	0.83	0.83	0.88
Net Debt to Annualised EBITDA	1.11	3.04	2.43	2.23
ROCE	9.3%	6.4%	6.7%	6.7%

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

# Shareholding

As on 30th Jun'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%
THE RBS PLC AS DEP. OF FIRST STATE	2.9%
LIFE INSURANCE CORP. OF INDIA	1.1%



Appendix



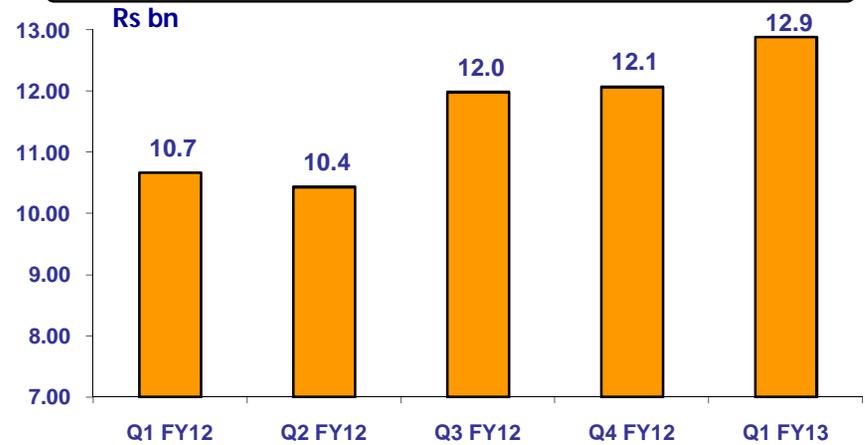
# Key Trends - 1\* (Quarterly)



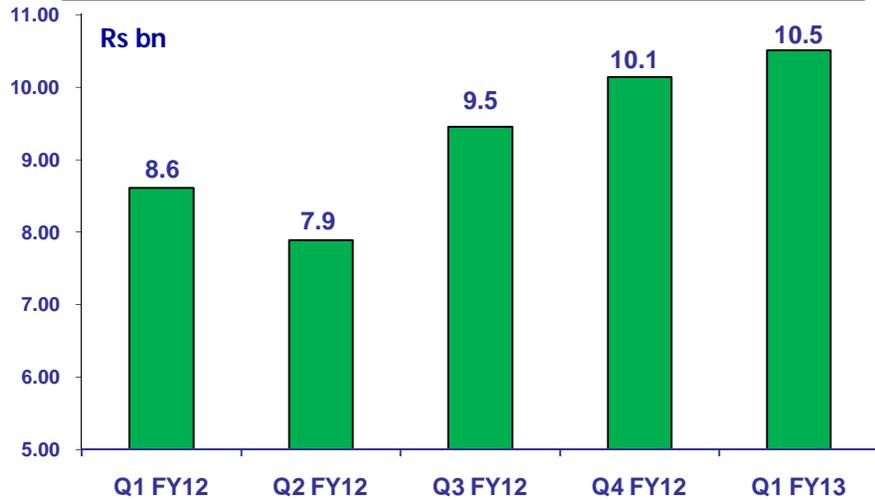
**Gross Revenue**



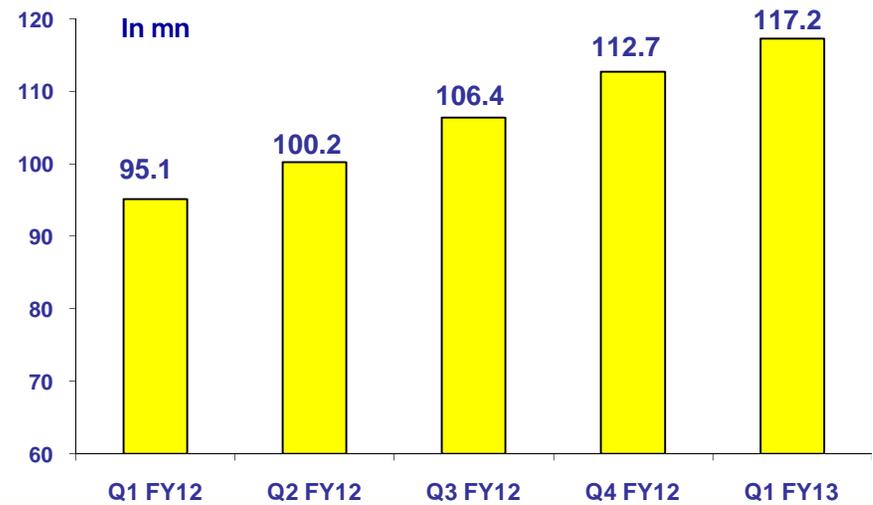
**EBITDA**



**Cash Profits**



**Subscribers**

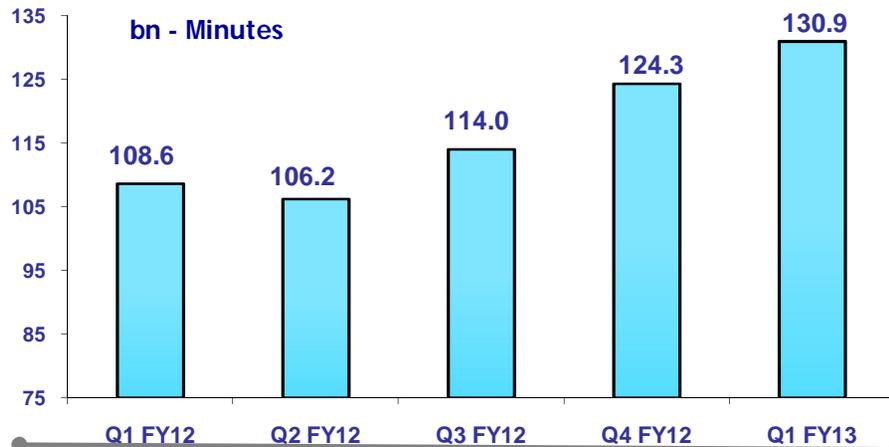


\*Represents Idea and its 100% subsidiaries

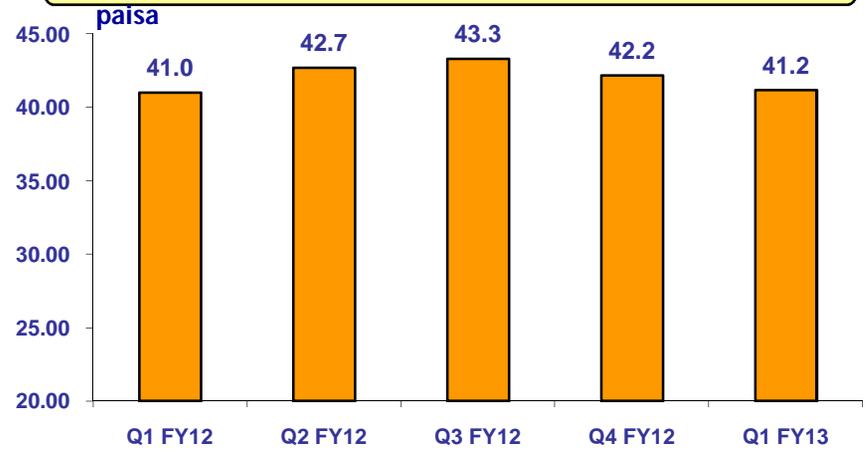
# Key Trends – 2\* (Quarterly)



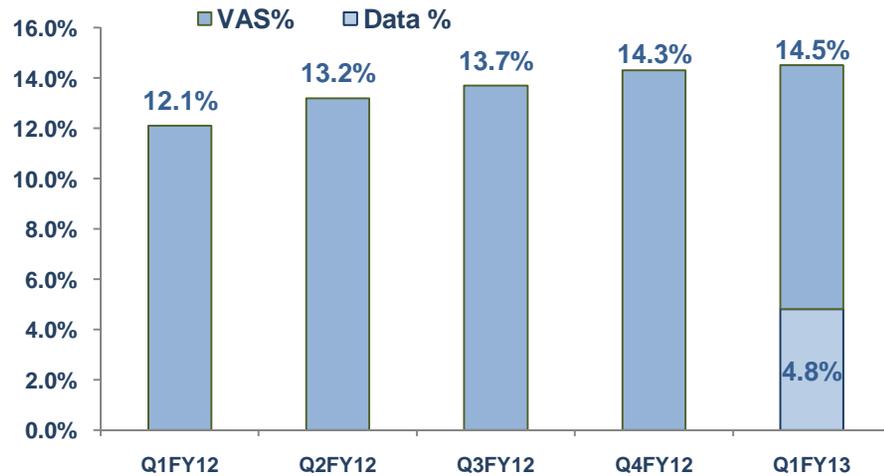
**Minutes of use on Network (QoQ)**



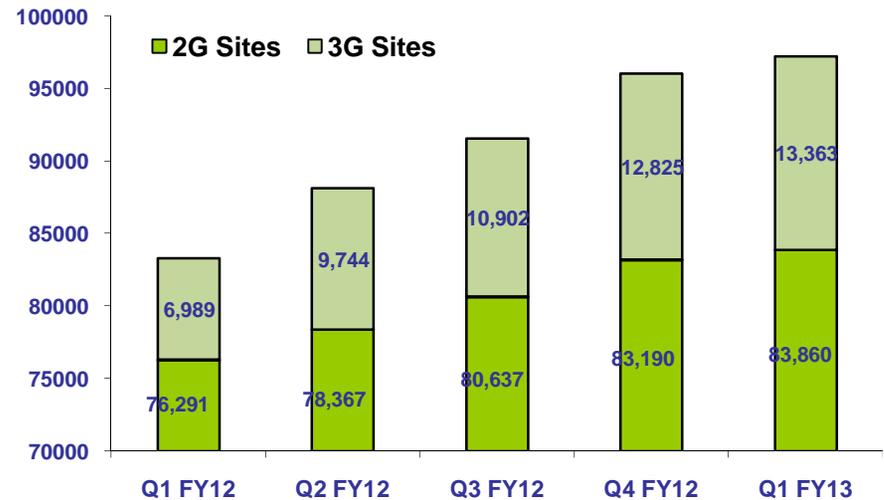
**Realized rate per minute**



**VAS and Data as a % of Revenue**



**Cell Sites**

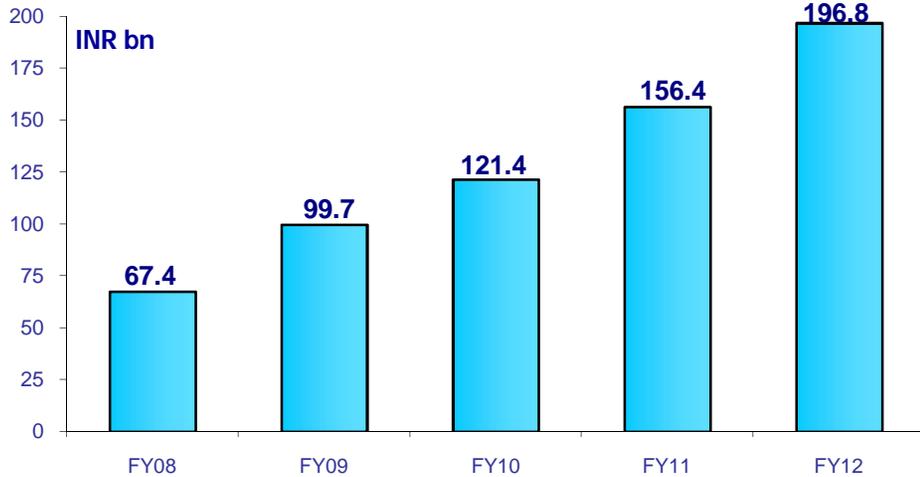


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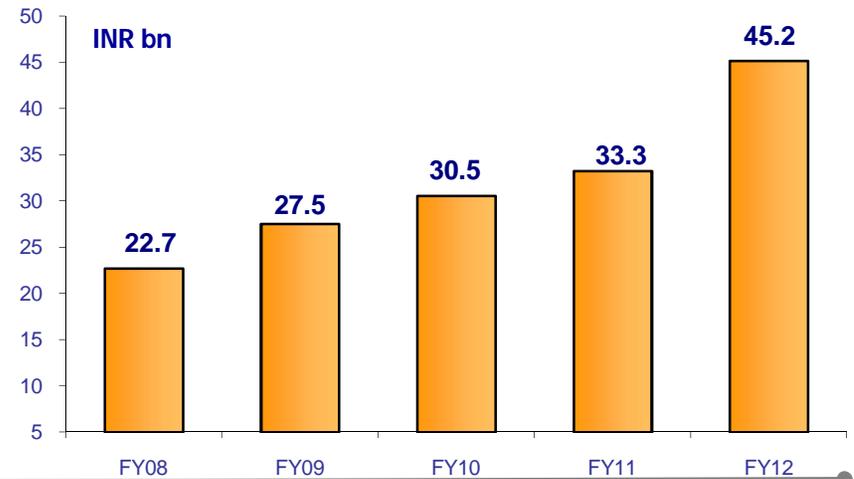
# Financial Matrix (Standalone\* - Annual)



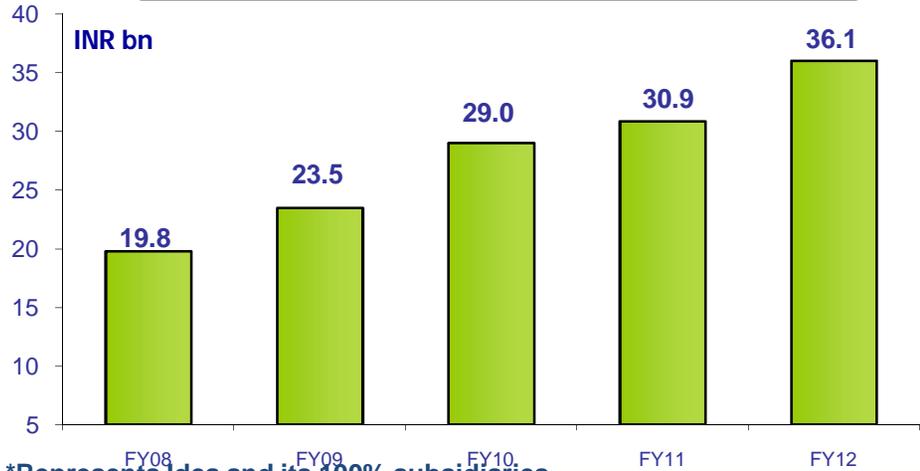
**Robust Growth in Top Line**



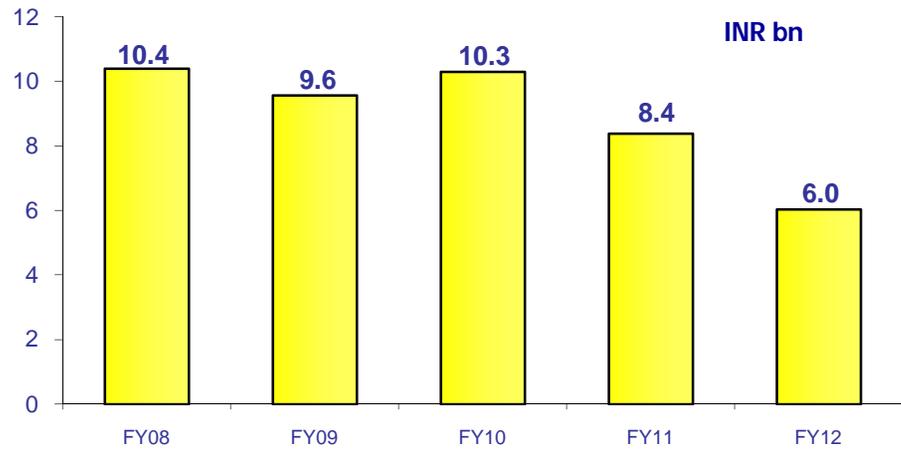
**Robust Growth in EBITDA**



**Robust Growth in Cash Profits**



**Net Profits**

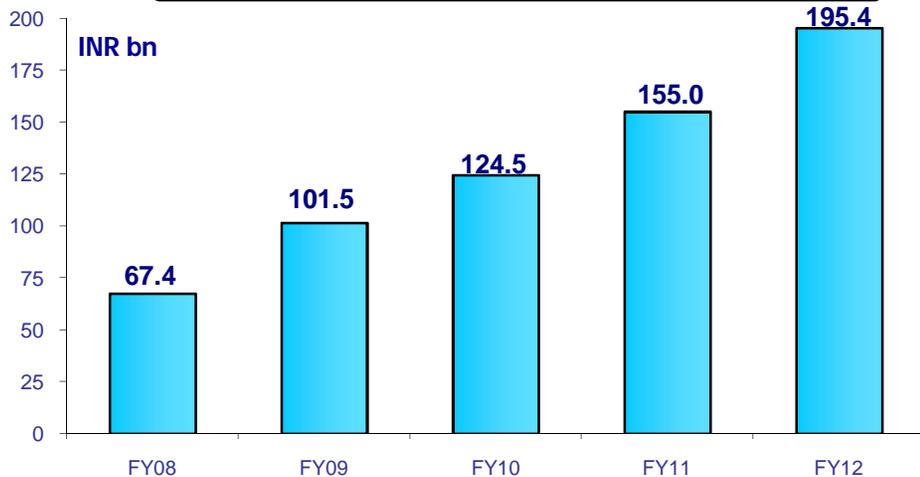


\*Represents Idea and its 100% subsidiaries

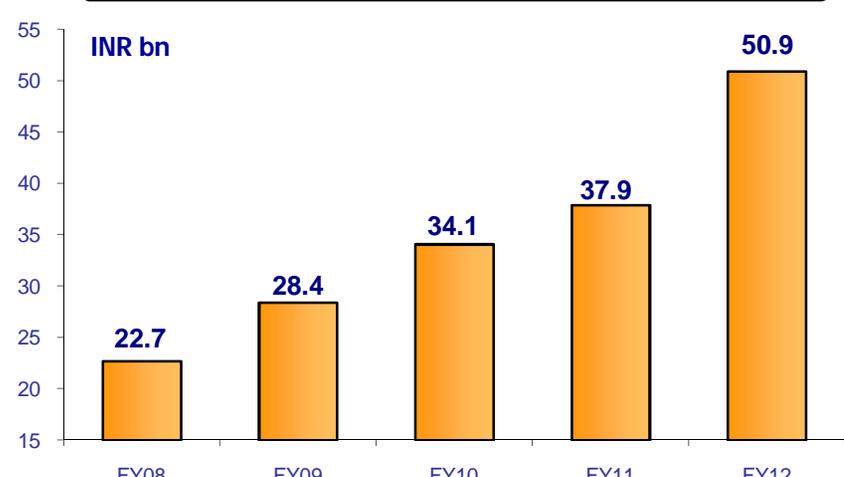
# Financial Matrix (Consolidated\* - Annual)



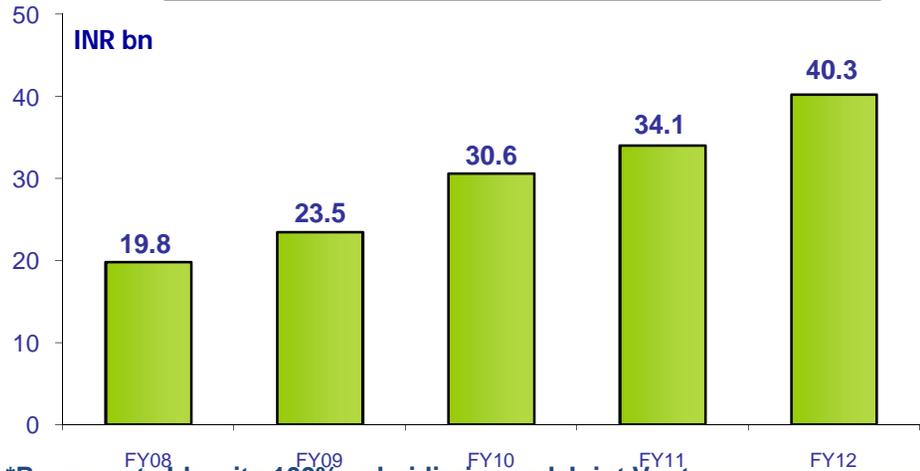
**Robust Growth in Top Line**



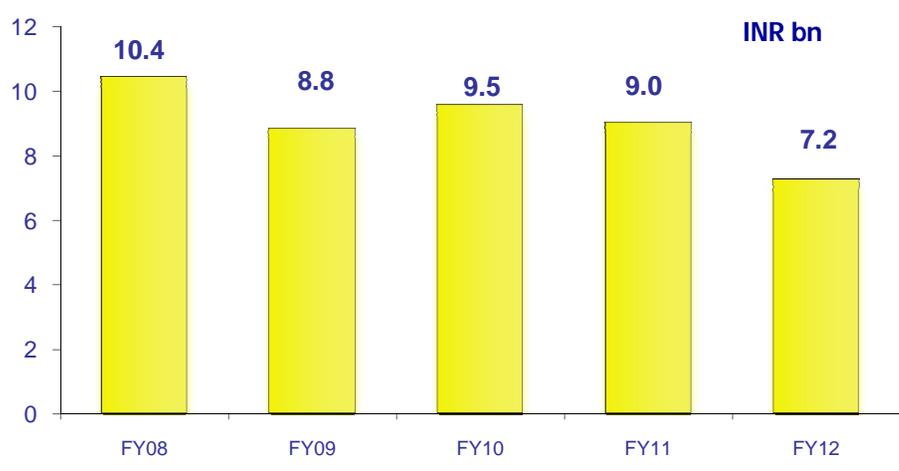
**Robust Growth in EBITDA**



**Robust Growth in Cash Profits**



**Net Profits**



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



Thank You