

Merger of Idea Cellular and Vodafone India completed - creating India's largest telecom service provider

Over 408 million subscribers, #1 RMS in 9 circles, broadband network of 340,000 sites, widest distribution reach with 1.7 million retail outlets

Both Vodafone and Idea brands to continue

A new Champion for Digital India is born!

Mumbai – August 31, 2018

- Vodafone Idea Limited – An Aditya Birla Group & Vodafone Group partnership¹ - becomes operational as India's leading telecom service provider with a subscriber base of over 408 million².
- New Board of Directors comprising 12 Directors (including 6 Independent Directors) constituted, with Mr. Kumar Mangalam Birla as the Chairman.
- The Board has appointed Mr. Balesh Sharma as the CEO.
- Pan India Revenue Market Share (AGR) of 32.2%³, and a #1 position in 9 circles.
- Growing broadband network (3G+4G) with over 340,000 broadband sites covering 840 million Indians.
- Largest voice network with over 200,000 unique GSM sites⁴ to cover over 1.2 billion Indians (92% population coverage).
- Large spectrum portfolio of ~1850 MHz and an adequate number of broadband carriers, to provide superior consumer experience across 2G, 3G and 4G platforms.
- Widest distribution reach with over 1.7 million retailers and ~15,000 branded stores to service customers.
- Both Vodafone and Idea brands, which have strong consumer affinity across metro, urban, rural and deep interior markets, will continue to operate.

Financial Highlights

- Merger is expected to generate Rs. 140 billion annual synergy, including opex synergies of Rs. 84 billion, equivalent to a net present value of approximately Rs. 700 billion⁵.
- The equity infusion of Rs. 67.5 billion at Idea and Rs. 86 billion at Vodafone coupled with monetization of standalone towers of both companies for an enterprise value of Rs. 78.5 billion, provides the company a strong cash balance of over Rs. 193 billion⁶ post payout of Rs. 39 billion to the DoT.
- Additionally, the Company has an option to monetise an 11.15% stake in Indus, which would equate to a cash consideration of Rs. 51 billion⁷.
- As at 30 June 2018, net debt was INR 1092 billion⁶.

On the occasion of the merger, Mr. Kumar Mangalam Birla, Chairman Aditya Birla Group and Vodafone Idea Limited, said, *“Today, we have created India’s leading telecom operator. It is truly a historic moment. And this is much more than just about creating a large business. It is about our Vision of empowering and enabling a New India and meeting the aspirations of the youth of our country. The “Digital India”, as our Honourable Prime Minister describes it, is a monumental nation-building opportunity. As Vodafone Idea, we are partnering in this initiative by building a formidable company of international repute, scale and standards.”*

Vodafone Idea will accelerate India’s progression towards a digital economy, enabling millions of citizens to connect to the digital revolution and build a better tomorrow. We will continue to offer a wide variety of digital services and solutions under both of our popular and loved brands (Vodafone and Idea). Services - including Voice, Data, Mobile payments, IoT, advanced enterprise offerings and entertainment – will all be conveniently accessible via digital channels and extensive on-ground presence of 15,000 branded stores and 1.7 million retail touchpoints across the country.

Welcoming customers to India’s leading telecom network, Mr. Balesh Sharma, CEO, Vodafone Idea Limited, said, *“As India’s leading telecom operator with two popular and loved brands, the company has the scale and resources to ensure sustainable customer choice and introduce new technologies. We are committed to offer both our retail and enterprise customers an excellent experience while fulfilling their evolving digital and connectivity needs via new products, services and solutions. We will offer them more network coverage, more value and more excitement. My team and I look forward to your continuing support and invite you to enjoy the Vodafone Idea experience.”*

The merger brings together Vodafone India and Idea Cellular, two of India's leading operators who played a key role in making mobile the most popular mode of communication and drove the telecom revolution across the country. The combined company is designed to be agile, digitally savvy and future fit. It is a professionally run world class organization, combining the best from both Vodafone India and Idea Cellular. The company is committed to create a truly 'Digital India' by enabling millions of citizens to connect, join the digital revolution and build a better tomorrow. It will accelerate India's progression towards a digital economy with a portfolio of quality products and services on offer under both its popular and loved brands - Vodafone and Idea.

VODAFONE IDEA LTD

India's Leading Telecom Service Provider

- ✓ Subscriber base of over 408 million (*June 18*)
- ✓ RMS 32.2%, Leadership in 9 circles (*Q1 FY19*)
- ✓ CMS 41.1%³, Leadership in 12 circles (*June 18*)
- ✓ Over 200,000 enterprise customers
- ✓ Over 340,000 Broadband sites with connectivity across the country
- ✓ Network outreach to 92% of population with over 200,000 unique GSM cell sites
- ✓ Enhanced coverage across ~500,000 towns & villages
- ✓ 1.7 million retail touchpoints
- ✓ 50,000 channel partners
- ✓ Widest footprint of 15,000 branded stores

With 1850 MHz of total spectrum holding, over 200,000 unique GSM sites and ~235,000 kms of fibre, the merged company offers superior voice and broadband connectivity across the country, covering 92% of the population and reaching nearly 500,000 towns and villages. This extensive infrastructure will allow customers to remain confidently connected across the country and enjoy uninterrupted services even as it integrates and optimizes its network in a phased manner across circles.

In addition to superior quality voice and data service experience, customers will enjoy a variety of digital services and solutions including mobile payments, Internet of Things (IoT), advanced enterprise offerings and entertainment, conveniently accessible via digital channels as well as extensive on-ground presence through ~15,000 branded outlets and ~1.7 million retail touchpoints across the country. Vodafone Idea will continue to invest in developing world-class infrastructure and introduce newer and smarter technologies - IoT, high speed and secure leased lines, digital wallets, MIMO and cloud services. As the trusted partner for Indian enterprises, it will empower businesses with future-ready products and services to help them scale up, become more efficient and tap new, emerging opportunities in the digital era.

The Company draws on support from its two largest shareholders – Vodafone Group Plc and Aditya Birla Group – to drive excellence and value creation from this merger.

About Vodafone Idea Limited

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is India's leading telecom service provider with over 408 million customers and revenue market share of 32.2% (Q1FY19). With a large spectrum portfolio and number of broadband carriers to support the growing demand for data and voice, the company is committed to deliver delightful experiences to customers and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. It is developing world-class infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence.

Vodafone Idea Limited continues to remain listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). For more information, please visit: www.vodafoneidea.com

About Aditya Birla Group

A US \$44.3 billion corporation, the Aditya Birla Group is in the League of Fortune 500 companies. Anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities. Aon Hewitt, a reputed global consulting firm, in the 'Best Employers 2018' study conducted by them, have named Aditya Birla Group as the 'Best Employer' in India. Over 50% of the Group's revenues flow from its overseas operations in 35 countries. In the last 20 years, the Group has grown 20 times marking major milestones. For more information, please visit: www.adityabirla.com

About Vodafone Group

Vodafone Group is one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone Group has mobile operations in 25 countries, partners with mobile networks in 46 more, and fixed broadband operations in 18 markets. As of 30 June 2018, Vodafone Group had 534.5 million mobile customers and 19.9 million fixed broadband customers, including India and all of the customers in Vodafone's joint ventures and associates. For more information, please visit: www.vodafone.com

¹ Vodafone Group Plc owns a 45.2% stake and Aditya Birla Group owns a 26.0% stake, both on fully diluted basis.

² As per quarterly disclosures by Idea and Vodafone

³ Market share based on VLR subscribers as of June 30, 2018 as reported by TRAI, Adjusted Gross Revenue (AGR) including wireline revenue, as reported by TRAI for the quarter ending June 30, 2018.

⁴ Total GSM site count is approximately 270,000 as of June 30, 2018 including overlapping sites.

⁵ As per Vodafone- Idea merger announcement on March 20, 2017.

⁶ As of June 30, 2018 after adjustments for Rs. 39 billion payment towards differential between the entry fee paid and market price of 4.4 MHz spectrum, made to the DOT and Rs. 86 billion of equity funding contributed by Vodafone Group, in accordance with the terms of the merger agreement.

⁷ Based on Bharti Infratel's 60 trading day VWAP of Rs. 291 as at 30 August 2018 and after applying a 10% discount to the implied Bharti Infratel March 2018 LTM EBITDA multiple of 7.5x

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ANNEXURE

Details of Board of Directors and Senior Leadership Team

Vodafone Idea Limited: Board of Directors

Kumar Mangalam Birla	Chairman
Debnarayan Bhattacharya	Non-Executive Director
Himanshu Kapania	Non-Executive Director
Ravinder Takkar	Non-Executive Director
Thomas Reisten	Non-Executive Director
Vivek Badrinath	Non-Executive Director
Arun Kumar Adhikari	Independent Director
Arun Thiagarajan	Independent Director
Ashwani Windlass	Independent Director
Doug Baillie	Independent Director
Tarjani Vakil	Independent Director
Uday Khanna	Independent Director

Vodafone Idea Limited: Leadership Team

Balesh Sharma	Chief Executive Officer
Akshaya Moondra	Chief Financial Officer
Ambrish Jain	Chief Operations Officer
Nick Gliddon	Chief Enterprise Business Officer
Manish Dawar	Chief Integration Officer
Sashi Shankar	Chief Marketing Officer
Vishant Vora	Chief Technology Officer
Suvamoy Roy Choudhury	Chief Human Resource Officer
Kavita Nair	Chief Digital Transformation Officer
Navanit Narayan	Chief Strategy Officer
P Balaji	Chief Regulatory & Corporate Affairs Officer
Kumar Das	Chief Legal Officer
Rajesh Srivastava	Chief Commercial Officer