Idea Cellular Limited

An Aditya Birla Group Company

Quarterly Report

Third Quarter ended December 31, 2009

Marking Pan India Presence

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Corporate Office: 5th Floor, Windsor, Off C.S.T. Road, Near Vidya Nagari, Kalina
Santacruz (East), Mumbai 400 098, India

Supplemental Disclosures

Unless stated otherwise, the financial data in this report is derived from our unaudited / audited consolidated financial statements prepared in accordance with Indian GAAP. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year. In this report, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. There are significant differences between Indian GAAP, IFRS, and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements will provide meaningful information is dependent on the reader's familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial information presented in this report should accordingly be limited. We have not attempted to explain such differences or quantify their impact on the financial data included herein.

Unless stated otherwise, industry data used throughout this report has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this report is reliable, it has not been independently verified.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry

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1. Performance at a glance – Idea Standalone[1]

Particulars	Unit	Quarter Ended		Year Ended			
		Dec-09	Sep-09	FY 09	FY 08	FY 07	FY 06
Operating Service Areas (EoP)	nos.	20	15	13	11	11	8
Subscriber base (EoP)	mn	52.3	46.8	38.9	24.0	14.0	7.4
Cell Sites (EoP)	nos.	55,804	50,915	44,230	24,793	10,114	4,763
Gross Revenue	mn	30,610	28,909	99,713	67,374	43,873	29,869
EBITDA	mn	7,203	7,307	27,548	22,693	14,862	10,864
PAT	mn	1,953	2,507	9,561	10,423	5,023	2,118
Cash Profit [2]	mn	6,983	7,087	23,518	19,842	11,751	7,613
Net Worth	mn	141,181	139,029	133,405	35,446	21,798	11,336
Loan Funds	mn	57,529	59,086	77,631	65,154	42,505	32,856
Cash & Cash Equivalent	mn	20,069	23,136	49,614	10,535	18,212	1,493
Net Debt to EBITDA [3]	unit	1.30	1.23	1.02	2.41	1.63	2.89
Net Debt to Net Worth	unit	0.27	0.26	0.21	1.54	1.11	2.77
ROCE	%	6.4%	7.7%	11.6%	18.2%	15.3%	11.8%

[1] does not include joint ventures, i.e. Spice Communications and Indus Towers

[2] includes add back of non-cash charge on account of ESOP.Previous period figures have also been restated accordingly

[3] Net Debt to EBIDTA, for the quarter, is based on the annualised figure of quarterly EBITDA

2. Company Overview

Idea Cellular Limited ("Idea") is a leading pan India mobile services operator. Brand !dea has 57.6 mn subscribers, as of December 2009, corresponding to an estimated 11.0% national subscriber market share. In its nine (9) 900 MHz service areas (Incl. Spice), brand !dea has an estimated subscriber market share of 17.5%.

A. Promoter Group

Idea is part of the Aditya Birla Group, India's first truly multinational group. The Group has businesses in sectors ranging from metals, garments, cement, fertilisers, life insurance and financial services among others. Over half of the Group's revenues are derived from overseas operations. The group operates in 25 countries, and is anchored by an extraordinary force of over 130,000 employees belonging to 30 nationalities. The current Group holding of 49.05% in Idea is made up of;

Aditya Birla Nuvo Ltd.	27.02%
Birla TMT Holdings Pvt. Ltd.	9.15%
Hindalco Industries Ltd.	7.37%
Grasim Industries Ltd.	5.52%
Total	**49.05%**

B. Key Shareholders

AXIATA Group Berhad (previously TM International Berhad), through its affiliates, has 14.99% shareholding in Idea Cellular, and a 49.0% holding in Spice Communications. With the proposed merger of Spice Communications into Idea Cellular, the Axiata Group holding in Idea Cellular would increase to around 20%. AXIATA has controlling stakes in its affiliates in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia, and significant stakes in India and Singapore. India and Indonesia are among the fastest growing markets in the world. As of June 2009, the Group has close to 100 million mobile subscribers in Asia, and provides employment to over 25,000 people in 10 countries.

Providence Equity Partners, through its affiliates has a 10.6% shareholding in Idea, and has also invested INR 20982 mn in ABTL through Compulsorily Convertible Preference Shares.

C. Corporate Structure

Idea Cellular Limited (Idea)

- 100% -- Idea Cellular Infrastructure Services Limited (ICISL)
- 100% -- Idea Cellular Services Limited (ICSL)
- 100% -- Swinder Singh Satara & Co Limited (SSSL)
- 41.1% -- Spice Communications Limited (Spice)
- 100% -- Aditya Birla Telecom Limited (ABTL)
  - 100% -- Idea Cellular Tower Infrastructure Limited (ICTIL)
  - 16% -- Indus Towers Limited (Indus)

ICISL – a tower company owning towers in Bihar and Orissa service areas.

ICSL – provides manpower services to operating entities i.e. Idea & ABTL.

SSSL – Engaged in the business of sale and purchase of Data Cards, Mobile Hand Sets and Fixed Wireless Phones

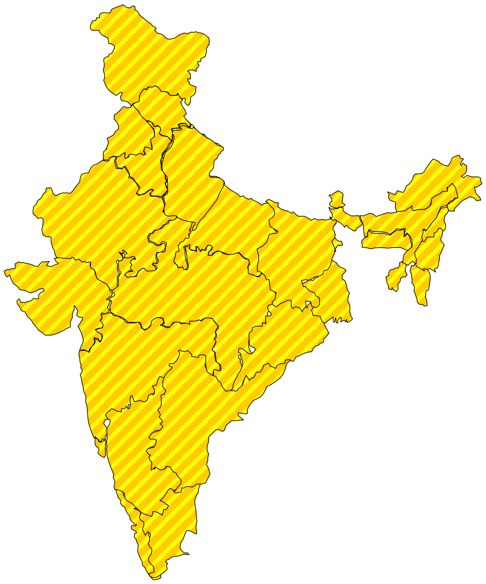
Spice – provides GSM based mobile services in Punjab and Karnataka service areas and has NLD/ILD operations.

ABTL – provides GSM based mobile services in Bihar service area, and has a 16% shareholding in Indus.

ICTIL – holds towers de-merged from Idea, which will subsequently merge in Indus.

Indus – a joint venture between Bharti Infratel, Vodafone Essar and Idea (through ABTL), to provide passive infrastructure services in 15 service areas.

D. Operating Service Areas (as on December 2009)



With the launch of service in the North East service area in Dec'09, !dea is now a pan India brand, operating in all 22 service areas. The service areas of Punjab and Karnataka are operating through the joint venture Spice. Idea has launched operations in 7 service areas in these nine months of the current financial year

S.No.	Service Area	Launch Month
1	Orissa	Apr-09
2	Tamila 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
*Chennai was launched in the month of July'09		

3. Reporting Guidelines:

To facilitate an analytical perspective, the results have been formatted and grouped as under:

a) **Standalone** – Idea, and its 100% subsidiaries incl. the ABTL service area of Bihar. Effectively, this encompasses all operations, excluding Spice and Indus.

b) **Consolidated** – Idea, its 100% subsidiaries, and its JVs, grouped together. In addition to Idea standalone, this covers the proportionate consolidation of Indus (16%), and Spice (41.09% w.e.f. October 16, 2008).

JV financials have been consolidated as jointly controlled entities as per "**AS 27 - Financial reporting of Interests in Joint Ventures**". It may be noted that the consolidation of financials of two or more entities requires elimination of inter entity transactions. Illustratively, rentals paid by Idea to Indus, become expenses for Idea and revenues for Indus, on a standalone basis. However, upon consolidation, the proportionate revenue of Indus gets reduced to the extent contributed by Idea. The rental expenses of Idea also stand correspondingly reduced in the consolidated financials.

4. Financial Highlights

A. Standalone Profit & Loss Account

INR mn

	Quarter Ended				
	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
Gross Revenue	30,610	28,909	28,883	28,717	26,209
Opex	23,407	21,602	21,183	21,290	19,404
EBITDA	7,203	7,307	7,700	7,427	6,805
EBITDA Margin	**23.5%**	**25.3%**	**26.7%**	**25.9%**	**26.0%**
Depreciation & Amortisation	4,422	4,200	4,064	3,885	3,579
Other Receipt	-	(317)	-	-	-
EBIT	2,781	3,424	3,636	3,541	3,226
Interest and Financing Cost (net)	418	557	406	493	600
PBT	2,362	2,867	3,230	3,048	2,626
Tax	409	360	156	209	63
PAT	**1,953**	**2,507**	**3,075**	**2,839**	**2,562**
Cash Profit	**6,983**	**7,087**	**7,314**	**6,927**	**6,222**

B. Consolidated Profit & Loss Account

INR mn

	Quarter Ended				
	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
Gross Revenue	31,495	29,739	29,759	29,416	27,311
Opex	23,354	21,644	21,160	21,295	20,337
EBITDA	8,141	8,095	8,599	8,119	6,974
EBITDA Margin	**25.8%**	**27.2%**	**28.9%**	**27.6%**	**25.5%**
Depreciation & Amortisation	5,130	4,796	4,555	4,310	3,937
Other Receipt	-	(317)	-	-	-
EBIT	3,011	3,616	4,044	3,810	3,037
Interest and Financing Cost (net)	938	1,057	869	1,049	874
PBT	2,073	2,559	3,175	2,760	2,163
Tax	372	357	204	210	(31)
PAT	**1,701**	**2,202**	**2,971**	**2,550**	**2,195**
Cash Profit	**7,408**	**7,378**	**7,748**	**7,063**	**6,117**

C. Revenue & Profitability Break-up

INR mn

Revenue Break-up	Quarter Ended	
	Dec-09	Sep-09
Gross Revenue-11 Service Areas	28,226	27,087
Gross Revenue - New Service Areas*	2,384	1,822
Revenue - Idea Standalone	**30,610**	**28,909**
Revenue Contribution - Spice (@41.09%)	1,490	1,401
Revenue Contribution - Indus (@16.00%)	2,216	1,925
Consolidation Eliminations	(2,822)	(2,496)
Revenue - Idea Consolidated	**31,495**	**29,739**

EBITDA Break-up	Quarter Ended	
	Dec-09	Sep-09
EBITDA -11 Service Areas	8,491	8,137
EBIDTA - New Service Areas*	(1,288)	(830)
EBITDA - Idea Standalone	**7,203**	**7,307**
EBITDA Contribution - Spice (@41.09%)	167	182
EBITDA Contribution - Indus (@16.00%)	771	606
EBITDA - Idea Consolidated	**8,141**	**8,095**

EBITDA Margins	Quarter Ended	
	Dec-09	Sep-09
EBITDA % - Idea 11 Service Areas	30.1%	30.0%
EBITDA % - New Service Areas*	-54.0%	-45.6%
EBITDA % - Idea Standalone	**23.5%**	**25.3%**
Derived EBITDA % Spice	11.2%	13.0%
Derived EBITDA % Indus	34.8%	31.5%
EBITDA % - Idea Consolidated	**25.8%**	**27.2%**

Dep. & Amort. Break-up	Quarter Ended	
	Dec-09	Sep-09
Dep & Amort. - Idea Standalone	4,422	4,200
Dep. & Amort. Cost from Spice (@41.09%)	276	262
Dep. & Amort. Cost from Indus (@16.00%)	433	334
Dep. & Amort. - Idea Consolidated	**5,130**	**4,796**

INR mn

EBIT Break-up	Quarter Ended	
	Dec-09	Sep-09
Other Receipt - Idea Standalone	-	317
EBIT - Idea Standalone	2,781	3,424
EBIT Contribution - Spice (@41.09%)	(109)	(80)
EBIT Contribution - Indus (@16.00%)	339	271
EBIT - Idea Consolidated	**3,011**	**3,616**

Interest & Finance Cost Break-up	Quarter Ended	
	Dec-09	Sep-09
Gross Interest Cost - Idea Standalone	1,237	1,317
Gross Interest Income - Idea Standalone	(700)	(798)
Forex Loss/(Gain) - Idea Standalone	(118)	38
Int. & Fin. Cost (net) - Idea Standalone	**418**	**557**
Int. & Fin. Cost (net) from Spice (@41.09%)	167	177
Int. & Fin. Cost (net) from Indus (@16.00%)	352	323
Int & Fin Cost (net) - Idea Consolidated	**938**	**1,057**

Tax Break-up	Quarter Ended	
	Dec-09	Sep-09
Tax - Idea Standalone	409	360
Tax from Spice (@41.09%)	-	-
Tax from Indus (@16.00%)	(37)	(3)
Tax - Idea Consolidated	**372**	**357**

PAT Break-up	Quarter Ended	
	Dec-09	Sep-09
PAT - Idea Standalone	1,953	2,507
PAT Contribution - Spice (@41.09%)	(276)	(257)
PAT Contribution - Indus (@16.00%)	24	(49)
PAT - Idea Consolidated	**1,701**	**2,202**

* incl.service areas of Mumbai, Bihar, Orissa, Tamil Nadu (incl Chennai), Jammu & Kashmir, Kolkata, West Bengal, Assam and NESA

Note 1: Impact of the joint venture is presented to provide a perspective to Idea's consolidated financials. Due to differences in accounting treatment, these may not be representative of the financial statements of joint ventures.

Note 2: The IRU income from Indus (w.e.f. 01st January, 2009) is treated as revenue in Idea standalone. This treatment may change, for the past period from the appointed date of merger to the effective date of merger of ICTIL into Indus.

D. Summarized Balance Sheet

INR mn

Particulars	Idea Standalone		Spice Standalone		Idea Consolidated	
	Dec-09	Mar-09	Dec-09	Mar-09	Dec-09	Mar-09
Sources of Funds						
Equity Share Capital	31,001	31,001	6,899	6,899	31,001	31,001
Preference Share Capital	19	19			19	19
Outstanding Emp. Stock Options	423	182			431	182
Reserves & Surplus	106,714	106,714	4,943	4,943	106,714	106,714
Loan Funds	57,529	77,631	18,395	20,586	73,691	89,122
Deferred Tax Liability(net)	2,198	1,274			2,063	1,130
Total	**197,884**	**216,821**	**30,237**	**32,427**	**213,918**	**228,169**
Application of Funds						
Gross Block	216,320	183,349	34,298	32,441	245,384	205,234
Less: Depreciation & Amortisation	65,912	53,365	17,143	15,223	74,304	59,971
Net Block	**150,408**	**129,984**	**17,155**	**17,218**	**171,079**	**145,263**
CWIP	11,486	18,461	271	1,036	12,707	21,409
Goodwill	61	61	-	-	22,457	22,457
Cash & Cash equivalent	20,069	49,614	438	2,327	20,605	51,316
Investments	22,042	22,042				
Net Current Assets	(3,158)	(7,853)	(2,941)	(1,821)	(11,321)	(17,540)
Profit & loss A/c	(3,024)	4,511	15,314	13,668	(1,610)	5,263
Total	**197,884**	**216,821**	**30,237**	**32,427**	**213,918**	**228,169**

5. Key Performance Indicators

A. Financial Indicators – Idea Standalone

Parameters	Quarter Ended				
	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
Gross Revenue (INR mn)	30,610	28,909	28,883	28,717	26,209
Growth (%) QoQ	5.9%	0.1%	0.6%	9.6%	13.9%
EBITDA (INR mn)	7,203	7,307	7,700	7,427	6,805
EBITDA (%)	23.5%	25.3%	26.7%	25.9%	26.0%
EBIT (INR mn)	2,781	3,424	3,636	3,541	3,226
EBIT (%)	9.1%	11.8%	12.6%	12.3%	12.3%
Gross Revenue/min (INR)	0.53	0.57	0.59	0.65	0.65
EBIT/min (INR)	0.05	0.07	0.07	0.08	0.08
Gross Fixed Assets	216,320	202,101	194,438	183,349	169,300
Annualised Revenue/Gross Fixed Assets	56.6%	57.2%	59.4%	62.6%	61.9%

B. Operational Indicators – Idea Standalone

	Unit	Quarter Ended				
		Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
Operating Service Areas	no.	20	15	15	13	13
Subscriber Base (EoP)	mn	52.3	46.8	42.8	38.9	34.2
Pre-paid Subs (% of EoP subscribers)	%	95.8%	95.3%	95.1%	94.6%	94.3%
Market Share (11 Service areas)*	%	15.5%	15.8%	16.2%	16.4%	16.7%
Market Share (Operating Service areas)*	%	11.0%	12.4%	12.9%	14.5%	14.5%
Average Revenue per User (ARPU)	INR	200	209	232	255	268
Average Minutes of Use per User (MoU)	min	389	375	399	402	416
Average Realised Rate (ARR)	INR	0.51	0.56	0.58	0.63	0.64
VAS as a % of Revenue	%	11.2%	10.6%	10.1%	9.5%	9.5%
Post-paid Churn	%	3.1%	3.0%	2.9%	3.0%	2.7%
Pre-paid Churn	%	9.4%	7.4%	6.9%	5.3%	4.4%
Blended Churn	%	9.1%	7.2%	6.7%	5.2%	4.3%
Total Minutes of Use	mn	57,841	50,339	48,729	44,224	40,254
Total Cell Sites (EoP)	no.	55,804	50,915	48,067	44,230	39,289
Cell Sites - Rented Indus (EoP)	no.	31,873	28,924	27,081	25,150	
Cell Sites - Rented Others (EoP)	no.	15,625	13,958	13,130	11,603	21,459
Owned Towers (EoP)	no.	8,306	8,033	7,856	7,477	17,830
Tenancy Ratio - Owned Towers	times	1.56	1.53	1.51	1.48	1.47
Owned Towers - IRU (EoP)	no.	11,094	11,094	11,094	11,094	
Manpower on Rolls (EoP)	no.	6,141	6,011	5,864	5,658	5,604
Average Revenue per Employee per Month	INR '000	1,676	1,597	1,654	1,675	1,555
Subscribers per Employee	no.	8,511	7,779	7,293	6,873	6,103

* estimated subscriber market share as of 31st Dec'09

C. Operational Indicators – Spice

	Unit	Quarter Ended				
		Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
Subscriber Base (EoP)	000	5,348	4,696	4,320	4,133	3,802
Pre-paid Subs (% of EoP subscribers)	%	90.7%	89.4%	88.2%	87.0%	85.7%
EOP Market Share (2 Service areas)*	%	10.5%	10.3%	10.5%	10.8%	11.0%
Average Revenue per User (ARPU)	INR	214	226	244	271	284
Average Minutes of Use per User (MoU)	min	418	429	454	467	494
Average Realised Rate (ARR)	INR	0.51	0.53	0.54	0.58	0.57
VAS as a % of Revenue	%	11.8%	11.7%	11.3%	11.8%	10.9%
Post-paid Churn	%	3.3%	4.1%	5.5%	4.9%	5.4%
Pre-paid Churn	%	11.0%	10.5%	9.1%	8.1%	6.3%
Blended Churn	%	10.3%	9.8%	8.6%	7.7%	6.2%
Total Minutes of Use	mn	6,317	5,735	5,730	5,589	5,460
Cell Sites - Rented (EoP)	no.	6,950	6,455	6,025	5,448	4,672
Cell Sites - Owned (EoP)	no.	196	188	182	182	176
Total Cell Sites (EoP)	no.	7,146	6,643	6,207	5,630	4,848
Manpower on Rolls (EoP)	no.	801	801	812	823	828
Average Revenue per Employee per Month	INR '000	1,509	1,409	1,350	1,310	1,312
Subscribers per Employee	000	6,676	5,863	5,320	5,022	4,592

* estimated subscriber market share as of 31st Dec'09

6. Management Discussion & Analysis

Hyper-Competition

The Indian telecom sector has witnessed the fierce price competition in the past nine (9) months, with a flood of new launches across service areas. Lower tariffs coupled with higher channel payout by new competition, and increased incidence of multiple SIM ownership has led to all time high reported subscriber net additions. This multiple SIM ownership has made conventional subscriber market share and subscriber ARPU metrics less meaningful.

Improving capacity utilization and operational efficiencies, the leveraging of spectrum and scale advantage in incumbent areas, a calibrated approach for new areas, sophisticated processes, brand power, and a strong balance sheet, position Idea to emerge competitively stronger during and after the current difficult phase of market overcapacity and hyper competition.

Results, both for Q3 FY10, and for YTD Q3FY10, speak of the enormous robustness and resilience of the company's business model, to emerge stress-tested and battle ready. The financial results are also an indication that any future price cuts will only hasten the expected sector shake-out.

Strong Financial Performance

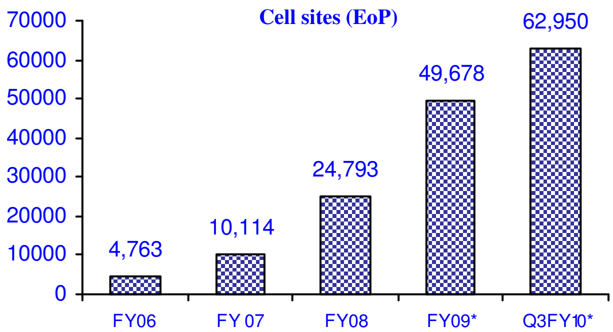
The 9 month period ending Dec'09 placed a 'double stress test' upon the Idea business model. On the one hand, the Indian telecom market, with already the world's lowest tariffs, witnessed savage competitive price cuts during this period. Consequently, Idea incurred an erosion in average realised rate per minute (ARR) to 51p in the quarter ending Dec'09, down ~15%, in just 9 months. As a second stress point, Idea rolled out operations in 7 new service areas during this 9 month period, thereby absorbing an incremental EBITDA loss of Rs 1,920 mn for these brand-new launches, and correspondingly higher loss at the PAT level. Despite these double stresses, for the first nine months of FY10, standalone PAT was up by 12.1% compared to the first 9 months of FY09, while Cash Profit of Rs 21,384 mn was up by 28.9%.

The steep QoQ ARR decline to 51p came in Q3, down from 56p in Q2. Notwithstanding, Idea still increased its revenue and EBITDA in the established 11 service areas by 4.2% (Rs. 1,139 mn) and 4.4% (Rs. 354 mn) respectively over the last quarter. The EBITDA margin for these 11 service areas also remained unchanged from the previous quarter at ~ 30%. Standalone PAT, even after absorbing the losses from new launches, has declined only by Rs 554 mn in Q3 over Q2, despite a one time income of Rs 317 mn in Q2, and an incremental charge of Rs 179 mn in Q3 on account of ESOP re-pricing. Cash profit for Q3 stood at Rs 6,983 mn. On a standalone basis, the total minutes on network grew by 14.9% on a QoQ basis, a strong indicator of customer preference.

On a consolidated basis, revenue for the quarter stood at Rs. 31,495 mn. EBITDA margin of 25.8% was lower by 1.4% on a QoQ basis, due to lower EBITDA margins of Idea standalone and of Spice. Consolidated PAT of Rs. 1701 mn was down by Rs 252 mn, compared to standalone PAT due to the losses from Spice.

With the launch of operations in J&K, West Bengal, Kolkata, Assam and NESA during the quarter, the company is now a pan India operator, which also means that the peak funding period for 2G operations, is now behind. The balance sheet of the company, with a net debt of only Rs. 37,460 mn against a net-worth of Rs 141,181 mn as of Dec'09, together with an average cash generation of around Rs. 7,000 mn per quarter, provides a solid base to support future investment and any level of competitive pressure going forward.

Capex



* includes Spice's Cell sites

Idea (incl. Spice) rolled out 5,392 cell sites during the quarter, taking EoP cell sites to 62,950. This includes the cell site addition in five (5) new service areas launched during this quarter. Total addition to the Gross Block including CWIP during the quarter for Idea (standalone) and Spice (@ 100%) was around Rs. 9.0 bn.

Our revised total capex (network and non-network) guidance is approx Rs. 40 bn, for Idea (standalone) and Spice (@100%). This excludes any payouts on account of possible 3G auction.

Update on Spice Communications

The accounts of Spice continue to be consolidated in proportion of the shareholding of 41.09%, until its eventual merger into Idea. The merger scheme has been filed with the Hon'ble High Court of Gujarat and Delhi. The scheme has been approved by Hon'ble High Court of Gujarat for Idea, and is pending with the Hon'ble High Court of Delhi for Spice for final approval.

Update on Indus Towers

As the 3 shareholders, Bharti Infratel, Vodafone Essar Ltd and ABTL (100% subsidiary of Idea) signed the IRU with Indus effective January 01, 2009, Indus has started invoicing respective entities also for the sites covered by the IRU.

The scheme for de-merger of passive infrastructure (which are to be eventually transferred to Indus Towers) to ICTIL (a wholly owned subsidiary of Idea), has been approved by the Hon'ble High Court of Gujarat. Pursuant to the receipt of the High Court Order(s) and filing of the same with the Registrar of Companies on 29th September, 2009, the passive infrastructure in respect of the nine telecom service areas has been de-merged from the Company to ICTIL, with an appointed date of 1st January 2009, and all financial statements after that date include the impact of the de-merger.

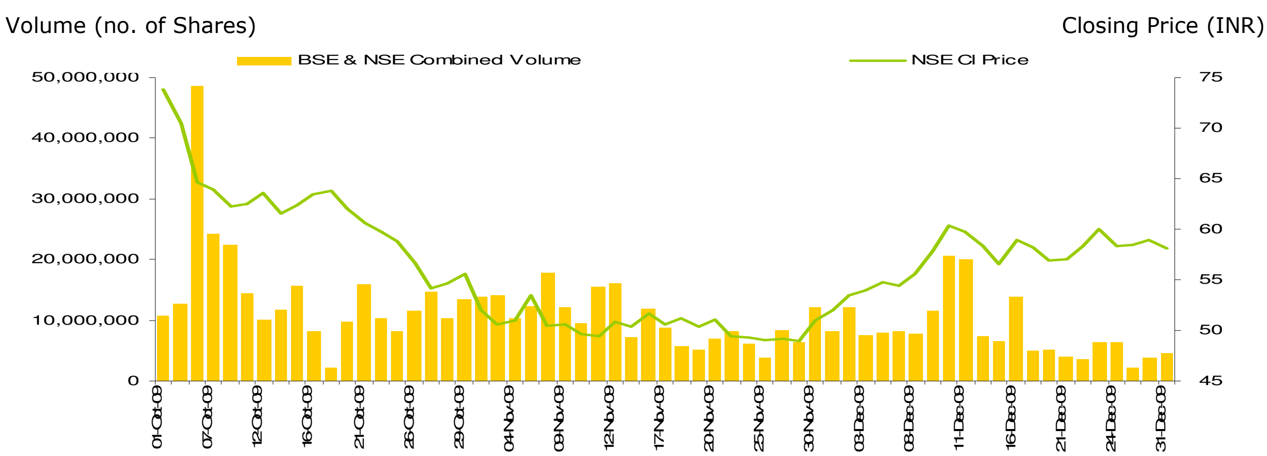
Update on ABTL

The telecom operations of Bihar Service Area (including Jharkhand), which are currently in ABTL (a wholly owned subsidiary) are also proposed to be merged with Idea. A scheme has been filed to de-merge the UASL of Bihar (including Jharkhand) service area, including related assets and liabilities from ABTL to Idea. The scheme has been approved by the Hon'ble High Court of Gujarat for Idea, and the judgement from the Hon'ble High Court of Bombay for ABTL is expected shortly.

7. Stock Market Highlights

General Information		
BSE Code		532822
NSE Symbol		IDEA
Reuters		IDEA.BO/IDEA.NS
No of Shares Outstanding (31/12/09)	mn	3100.10
Closing Market Price - NSE (31/12/09)	INR/share	58.05
Combined Volume (NSE & BSE) (01/10/09 to 31/12/09)	mn/day	10.8
Combined Value (NSE & BSE) (01/10/09 to 31/12/09)	INR mn/day	618
Market Capitalisation (31/12/09)	INR bn	180
EPS (excl. Joint Ventures) for the Quarter	INR/share	0.63
Enterprise Value (31/12/09)	INR bn	217
Price to Earning	times	23.04
Price to Cash Earning	times	6.44
Price to Book Value	times	1.3

Idea Cellular Daily Stock Price (NSE) & Volume (Combined of BSE & NSE) Movement



8. Shareholding Pattern as on December 31, 2009:

Particulars	Idea Cellular Ltd.		Spice Comm. Ltd.	
Promoter and Promoter Group	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Indian	1,520,445,714	49.05%	344,257,393	49.90%
Foreign	-	-	338,063,250	49.00%
Public Shareholding	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Foreign Holding	1,171,835,709	37.80%	211,257	0.03%
Indian Institutions	237,265,382	7.65%	-	-
Others	170,548,404	5.50%	7,393,100	1.10%
Total	**3,100,095,209**	**100.00%**	**689,925,000**	**100.00%**

Note: Indian Promoters' holding in Spice Comm. consists of 41.09% by Idea Cellular and 8.81% by Green Acre Agro Services P. Ltd.

9. Glossary

Definitions/Abbreviation	Description/Full Form
9 - 900MHz service areas	Includes the service areas of Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Punjab and Karnataka
11 service areas	Includes the service areas launched up to Q3 FY07, namely Maharashtra & Goa, Gujarat, Andhra Pradesh, Madhya Pradesh & Chhattisgarh, Delhi, Kerala, Haryana, Uttar Pradesh West & Uttaranchal, Uttar Pradesh East, Rajasthan and Himachal Pradesh
Annualized EBITDA	Annualised figure of quarterly EBITDA
ARPU (Average Revenue Per User)	Is calculated by dividing services revenue (exclusive of infrastructure revenues) for the relevant period by the average number of subscribers during the period. Average number of subscribers during the period is calculated as average of average subscribers for each month. The result obtained is divided by the number of months in that period to arrive at the ARPU per month figure
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ARR (Average Realised rate)	ARR is calculated as ARPU divided by MoUs/Subscriber
Book Value/Share	Is calculated as Total assets reduced by loan funds and deferred tax liability, divided by number of outstanding equity shares
BSE	Bombay Stock Exchange
Churn	Churn relates to subscribers who are removed from the EoP base for discontinuing to use the service of the company
Cash Profit	Is calculated as summation of PAT, Depreciation, Charge on account of ESOP and Deferred tax, for the relevant period.
Cash Earning / Share	Is calculated by dividing the cash profit for the period by weighted average number of outstanding equity shares.
EBIT	Earnings Before Interest and Tax
EBITDA (Earnings before interest, tax, depreciation and amortisation)	This is the amount after deducting operating expenditure from total income. Total income is comprised of service revenue, sales of trading goods and other income. Operating expenditure is comprised of cost of trading goods, personnel expenditure, network operating expenditure, license and WPC charges, roaming and access charges, subscriber acquisition and servicing expenditure, advertisement and business promotion expenditure and administration & other expenses
Enterprise Value	Is calculated as summation of Market Capitalisation and Net Debt
EPS	Earning per share, is calculated by dividing the profit after tax for the period by weighted average number of outstanding equity shares
EoP	End of period
FY	Financial year ending March 31
GSM	Global System for Mobile communications, the most popular standard for mobile phones in the world
Gross Revenue	Is calculated as summation of service revenue, Revenue from sale of trading goods and other non-service revenue.
Indian GAAP	Indian Generally Accepted Accounting Principles
IRU	Indefeasible right of use
MoUs/Sub (Average Minutes of Usages per Subs)	Is calculated as, total Minutes of Use by Mobile Subscriber in our network during the period divided by average of subscribers during the period

Definitions/Abbreviation	Description/Full Form
MSC	Mobile Switching centre
Net Adds	Refers to net customer additions which is calculated as the difference between the closing and the opening customers for the period
Net Debt	Total loan funds reduced by cash and cash equivalents
Net Worth	Calculated as summation of Share Capital and Reserves & Surplus reduced by debit balance of profit & loss account
NSE	National Stock Exchange
PBT	Profit before tax
PAT	Profit after tax
Price to Book Value	Is calculated by dividing the closing market price at the end of the quarter (NSE) by Book Value/ Share
Price to Cash Earning	Is calculated by diving the closing market price at the end of the quarter (NSE) by annualised Cash Earning/Share
Price to Earning	Is calculated by diving the closing market price (NSE) by annualised EPS
ROCE	ROCE is calculated as a) for the year: PAT plus gross int. & fin. cost divided by average capital employed for the year, b) for the quarter : PAT plus gross int. & fin. cost for the quarter is annualised and divided by capital employed for the quarter. Capital employed is taken as average of opening and closing of Shareholders funds and Loan Funds reduced by debit balance of P&L account, for the respective period
Subscribers	Mobile telephone service customers
SIM	Subscriber Identity Module
Service Area	Unless otherwise specifically mentioned, means telecom service areas in India (including metropolitan service areas) as defined by the DoT.
TRAI	Telecommunications Regulatory Authority of India, constituted under the Telecommunications Regulatory Authority of India Act, 1997