



Idea is a winner in the spectrum auction!

Wins spectrum in the 7 operational circles, ensuring continuity of service to its over 8 million customers

Mumbai, November 15th, 2012: In the just concluded 1800 Mhz Spectrum Auctions, Idea Cellular was declared the winning bidder in the Service Areas of Tamil Nadu, Orissa, Assam, North East, J&K, West Bengal, & Kolkatta This effectively ensures the continuity of service to its over 8 million subscribers in these 7 New circles and protects the investments made in these Circles. Additionally it also secured an additional slot of 1.25 MHz for the circle of Bihar, allowing it to effectively cater to the growing needs of the subscribers of Bihar and Jharkhand.

The circumstances surrounding this Auction were unusual. Four years after full-fledged Operations in the above Service Areas, events placed Idea Cellular in an unenviable situation where it could either continue operations or abandon the Telecom business in these Circles. During this period, the Company had made investments of over Rs 5,100 crores in Capex and Start-up losses. During this period the Company made additional human investments of approx 2,000 team members, 200,000 channel partners and 8 million subscribers, all of whom had reposed their faith in the company. Faced with a Hobson's choice, Idea participated in the Auction, which it may not have considered in a normal start-up situation.

Idea had filed a Curative Petition before the Hon'ble Supreme Court appealing against the Order of 02.02.2012 and the outcome is awaited.

Speaking about the win, **Mr. Himanshu Kapania, Managing Director, Idea Cellular** said, "Today's auction outcome is indicative of our commitment to our subscribers, employees, and shareholders. Idea Cellular continues to have a pan India footprint and we will continue to provide seamless voice and data coverage to our over 115 million users spread across the country. The high reserve prices, notwithstanding, the need and desire to ensure continuity of service to our subscribers was upper most in our mind."

In the overall analysis the high reserve price and several large markets remaining unsold, will prove to the Government that the though spectrum may be a infinite resource, it certainly does have a finite price, and increasing the reserve price to stratospheric levels will not result in any greater value being realized.



ADITYA BIRLA GROUP



About IDEA Cellular Ltd

IDEA Cellular is India's 3rd largest national mobile operator, with more than 115 million subscribers. With traffic in excess of a billion minutes a day, Idea ranks among the Top 10 country operators in the world. Using the latest in technology, Idea provides world-class service delivery through the most extensive network of customer touch points. Idea is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India.

IDEA Cellular is an Aditya Birla Group Company, India's first truly multinational corporation. The Group ranks No.1 in Asia Pacific and No. 4 Globally in the 2011 Top Companies for Leaders (TCFL) study conducted by Aon Hewitt, Fortune (the Global Business Magazine) & the RBL Group. It operates in 36 countries, and is anchored by more than 136,000 employees belonging to 42 nationalities. More information on the Company is available at: www.ideacellular.com and on the Group at: www.adityabirla.com

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