



Idea Enters into Agreement for Transfer of Right To Use 1800 MHz Spectrum for Gujarat and Uttar Pradesh (West)

Mumbai, 24th November, 2015: Idea Cellular Limited (Buyer) is pleased to enter into agreement with Videocon Telecommunications Limited (Seller) for acquiring right to use spectrum, pursuant to the DoT “Guidelines for Trading of Access Spectrum by Access Service Providers” (Guidelines) dated October 12, 2015, for the telecom service areas of Gujarat and Uttar Pradesh (West). This agreement for Idea’s two Leadership telecom circles is for a quantum of 2x5 MHz contiguous blocks of 1800 MHz in each service areas, with right to use spectrum until December, 2032 which Idea Cellular intends to use for deployment of 4G (LTE) services in these service areas. The transaction will be effective only after a) completion of the due diligence related to above spectrum and b) written confirmation by DoT on the transfer of right to use spectrum to Idea Cellular. Both Companies intend to jointly intimate the ‘Department of Telecommunications’ for trading the right to use these spectrum blocks as per the Guidelines, after completion of certain aspects of due diligence. The effective date of spectrum trading will not be earlier than 45 days from the date of joint intimation, as defined in Guidelines.

The aggregate consideration for the right to use spectrum transaction is Rs. 3,310 crores, which may be subject to adjustment based on the due diligence exercise. Along with the right to use spectrum, Idea will also be taking over the outstanding ‘Deferred Payment Liability’ of Videocon Telecommunications Ltd., payable to the DoT, in respect of the spectrum being acquired for service areas of Gujarat and Uttar Pradesh (West) in the November 2012 Access Spectrum auction. The amount of outstanding ‘Deferred Payment Liability’ after repayment of first instalment on December 1, 2015 by Seller will be Rs. 482.26 crores and this amount plus interest accrued thereon till the date of closing of transaction (as contemplated in the said agreement) will be reduced from the payment of the aggregate consideration of Rs. 3,310 crores payable for right to use the spectrum.

Idea intends to use this acquired spectrum for launch of 4G (LTE) Mobile Broadband Services in the service areas of Gujarat and Uttar Pradesh (West). With



this spectrum trading arrangement, Idea's 4G (LTE) spectrum footprint will expand to 12 service areas covering over 75% of Idea's current revenue and over 72% of existing 170 million quality subscribers on VLR. These 12 circles currently contributes 60% of the Indian telecom industry mobility revenues. After completion of this transaction, Idea would have full range of Mobility Services across 2G (GSM), 3G (HSPA) and 4G (LTE) technologies in all of its 8 leadership markets of Maharashtra & Goa, Kerala, Andhra Pradesh & Telengana, Madhya Pradesh & Chhattisgarh, Haryana, Punjab, Gujarat and Uttar Pradesh (West). As per the latest TRAI Q2FY16 release in these 8 Telecom service areas, Idea combined Revenue Market Share is 30.3% and Subscriber Market Share (on VLR) is 28.6%, a clear No. 1 & dominant Market position. Idea is on track to launch its 4G (LTE) services in 750 towns across existing 10 4G circles by first half of calendar year 2016 & after completion of this transaction, plans to introduce 4G services in Calendar Year 2016 for Gujarat and Uttar Pradesh (West) Telecom service areas. As per the present spectrum allocation in 1800 MHz & declared usage, Idea will be the first & only operator with liberalised 5MHz contiguous spectrum to launch 4G (LTE) services in the service area of Haryana and post completion of this transaction, in Uttar Pradesh (West).

The company is confident that with this expansion of its spectrum portfolio, strong customer affinity of over 170 million customers, robust cash flows and excellent track record of execution, the brand will be able to profitably monetise the opportunities in mobile broadband across 3G & 4G platforms & emerge even stronger.

About Idea Cellular Ltd.

Idea Cellular is the third largest wireless operator in India with a Revenue Market Share of 18.5% (Q2FY16). Idea is listed on the National Stock Exchange (NSE), and the Bombay Stock Exchange (BSE) in India. Idea is part of the Aditya Birla Group, which is one of the largest business groups in India. The Aditya Birla Group is a conglomerate with operations in more than 30 countries. The Aditya Birla group has a history of over 50 years and has businesses in, among others, mobile telecommunications, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance and financial services industries

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