

The logo for Spice Communications Limited is a horizontal bar divided into five colored segments: orange, purple, green, teal, and yellow. The text "Spice Communications Limited" is centered in white across the purple and green segments.

Spice Communications Limited

July - September 2007

10th October 2007

The logo for Spice Communications Limited is a horizontal bar divided into five colored segments: orange, purple, green, teal, and yellow.

Overview

Operating Parameters

Financial Parameters

Cellular operator in Punjab & Karnataka in the 900 MHz range

Total spectrum allocated in Punjab is 7.8 MHz and in Karnataka is 6.2 MHz

Second largest player in Punjab with a market share of 22.9%* - 2.2 mn** subscribers

Total subscriber base of 3.5 mn** with a market share of 14.8%* in Punjab & Karnataka

Largest Roaming network with over 450 bi-lateral agreements with operators worldwide

Wireless player focused on two lucrative markets with a total population of over 80 mn

Note:

* Market Share as of August 2007 as per COAI/AUSPI (Figures for Sep 2007 yet to be released)

** Subscriber Nos as of September 2007

Spice | Financial Summary -Q E September 2007

	Quarter ended				Growth YoY
	Sep-07		Sep-06		
	Rs. In Mns	US \$ In Mns (Rs. 40=\$)	Rs. In Mns	US \$ In Mns (Rs. 40=\$)	
Subscribers ('000s)	3,482	3,482	2,197	2,197	58.5%
Sales & Services Revenues	2,522	63.05	1,844	46.10	36.8%
Other Income ¹	128	3.20	20	0.50	540.0%
Total Revenues	2,650	66.25	1,864	46.60	42.2%
Operating Expenditure	1,674	41.85	1,387	34.68	20.7%
EBITDAL²	977	24.40	477	11.92	104.8%
Lease Charges ³	216	5.40	55	1.38	292.7%
EBITDA	760	19.00	422	10.54	80.1%
PAT	(55)	(1.38)	(248)	(6.20)	
EBITDAL%	36.9%	36.9%	25.6%	25.6%	
EBITDA%	28.7%	28.7%	22.6%	22.6%	
PAT%	-2.1%	-2.1%	-13.3%	-13.3%	

Notes:

- Other Income includes foreign exchange gains of INR 64 mn in Sep 07 quarter.
- EBITDAL is earnings before Interest, tax, depreciation & amortization and site lease charges.
- Some of the towers have been taken on finance lease instead of earlier arrangement of operating lease. Had the earlier arrangement continued, lease charges would have been higher by INR 24 mn and depreciation/interest would have been lower by INR 29 mn

Overview

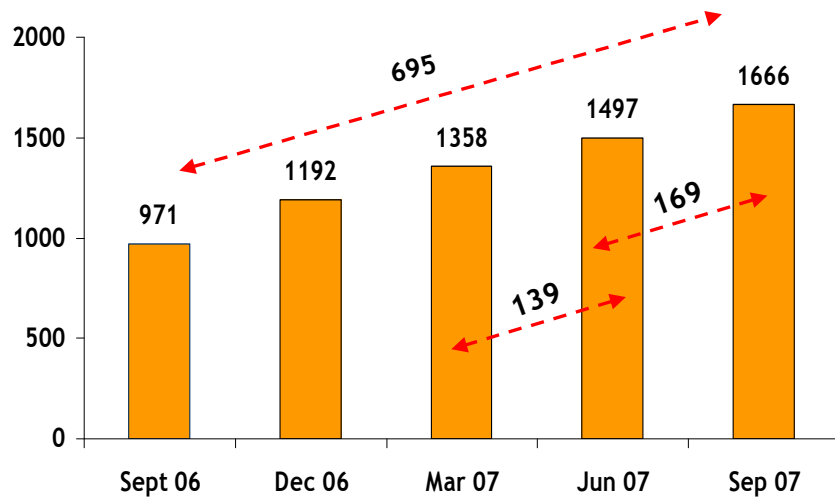
Operating Parameters

Financial Parameters

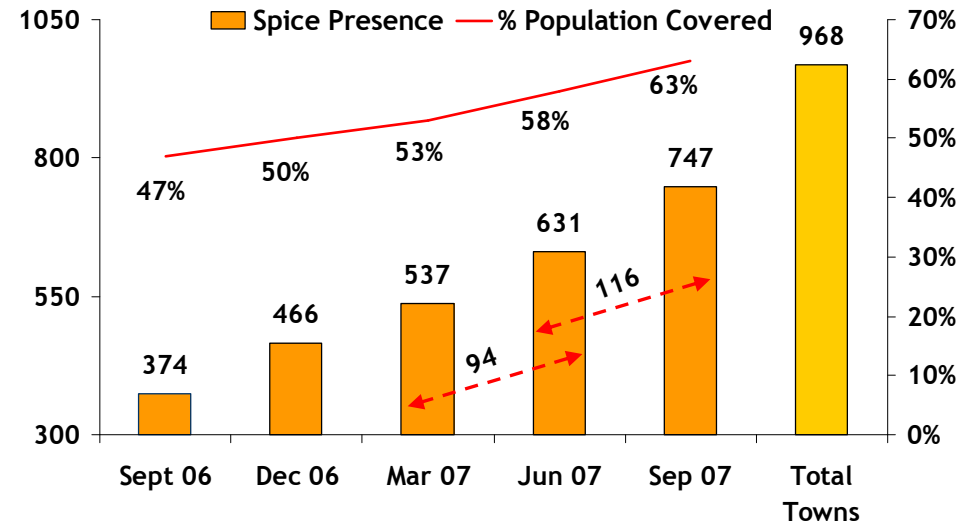
Punjab | Expanding network and subscriber base - Q E September 2007



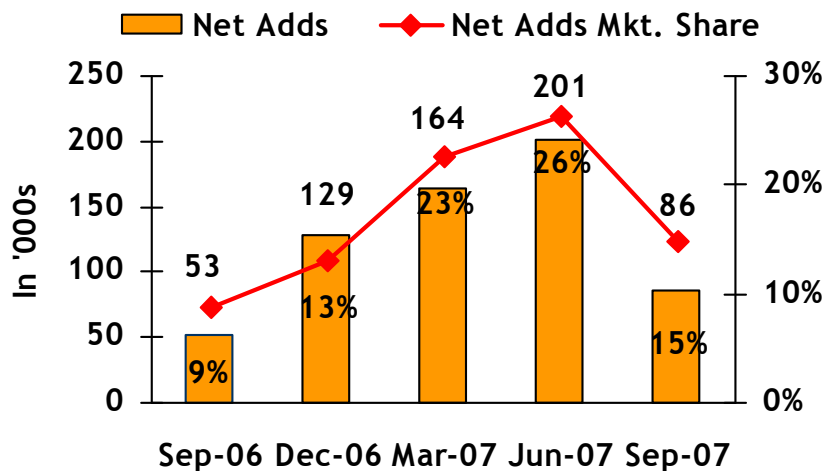
72% increase in Cell Sites in one year



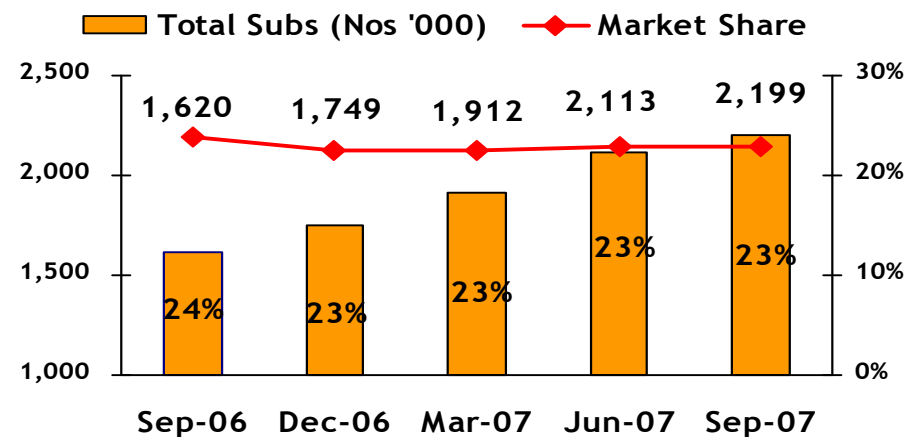
373 new towns covered since Sep 06



Net Additions



Consolidating market share

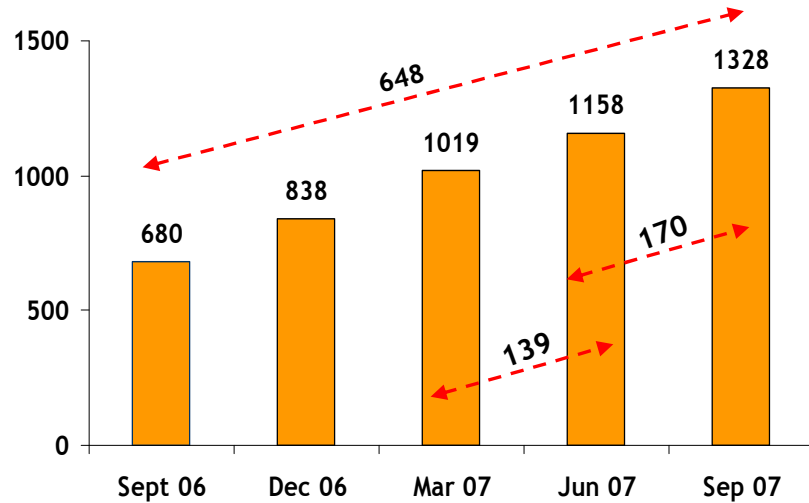


Network expansion strategy to maintain Spice position as top two operators

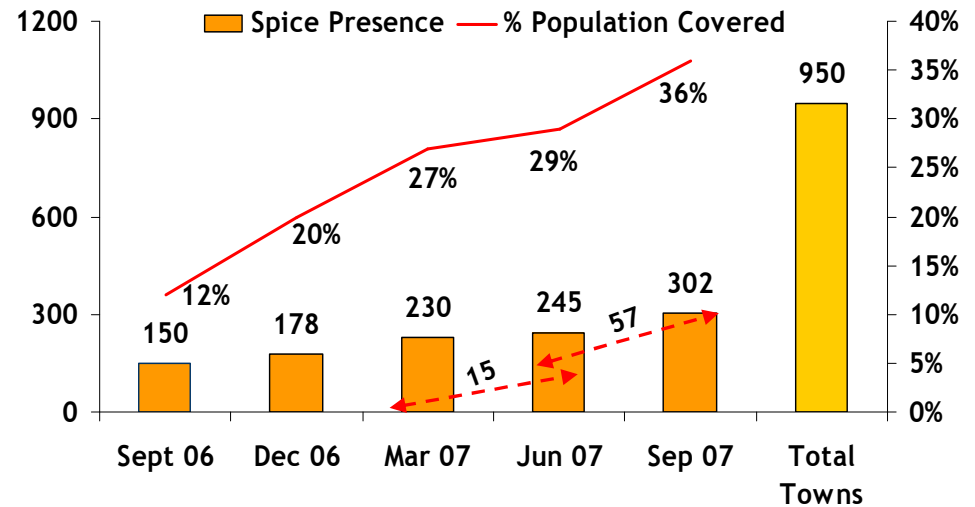
Karnataka | Expanding network and subscriber base Q E September 2007



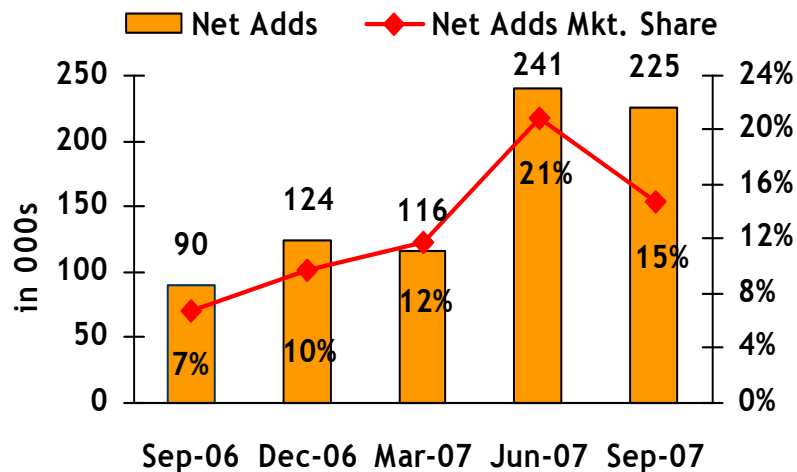
95% increase in Cell Sites since Sep 06



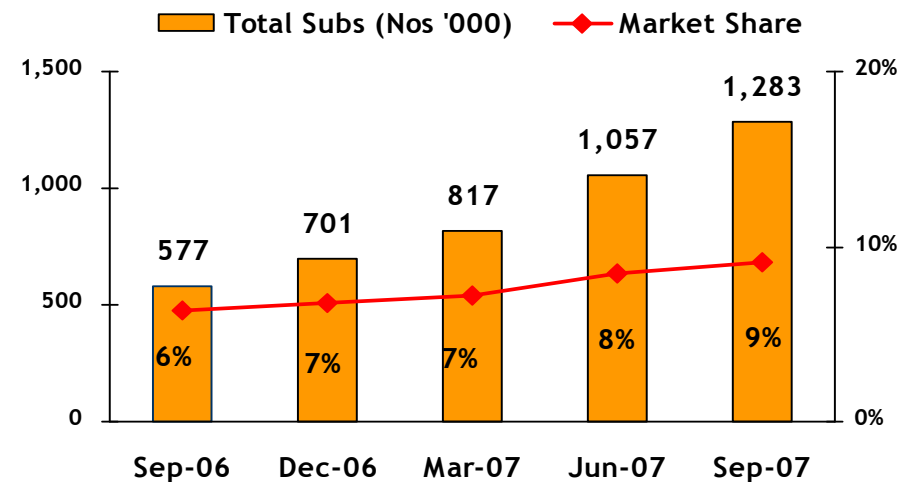
152 new towns covered since Sep 06



Net Additions



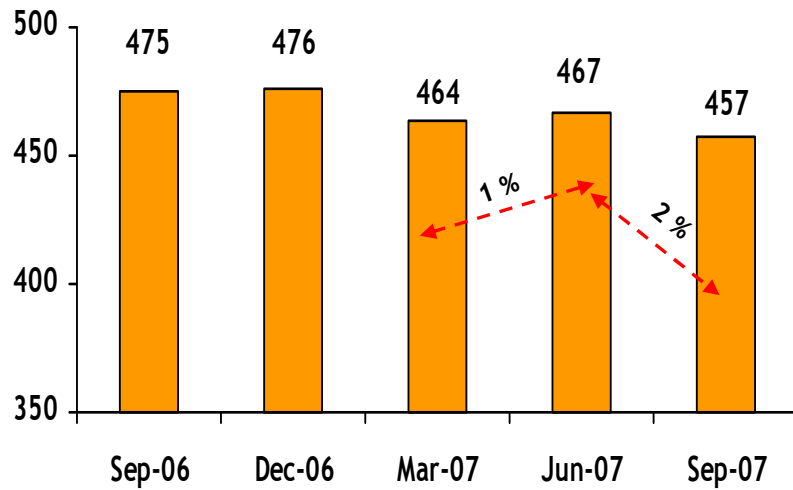
Expansion strategy leading market share gain



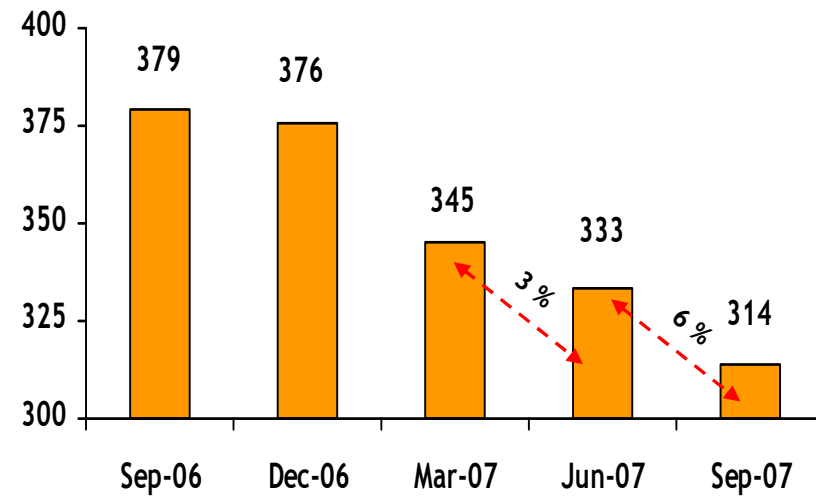
Network investments & increasing coverage has led to growth in market share

Operating Parameters- Q E September 2007

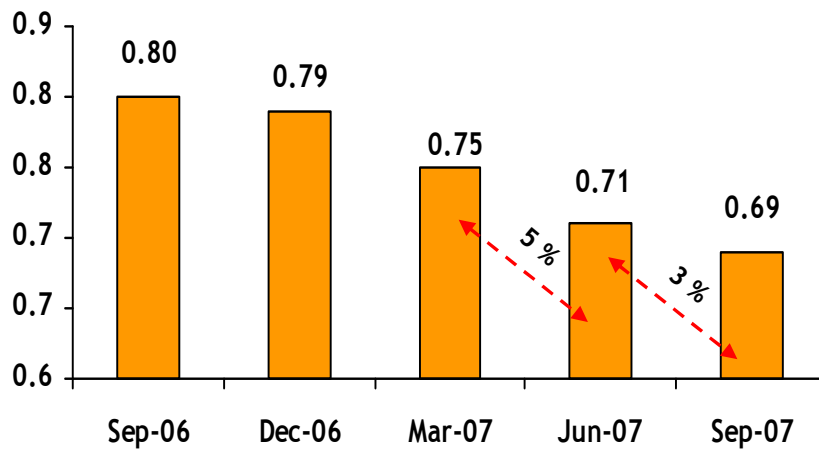
Average MOU (in Mins/sub/month)



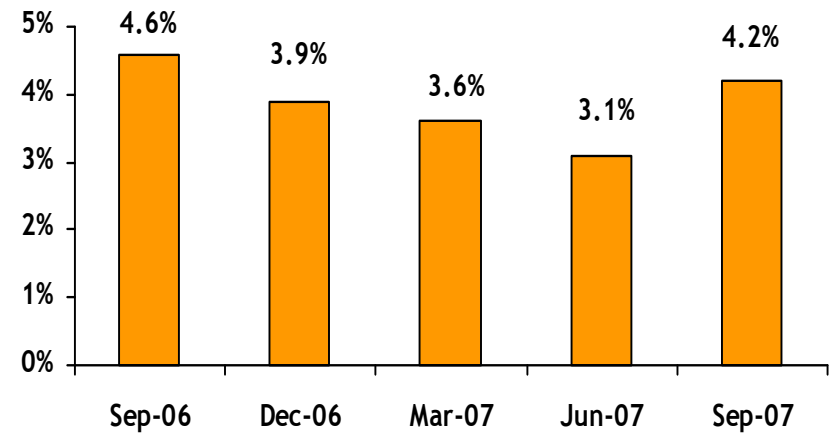
ARPU1 (in INR/sub/month)



ARPM (in INR/min)



Churn (in %)



Notes:

1. ARPU is calculated as Services revenues less activation revenues & Site Sharing Revenue divided by Average billable subscriber base

Overview

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Spice | P&L Account - Q E September 2007

P&L Account	Quarter ended				Growth YoY
	Sep-07		Sep-06		
	Rs. In Mns	US \$ In Mns (Rs. 40=\$)	Rs. In Mns	US \$ In Mns (Rs.40=\$)	
Sales & Services Revenues	2,522	63.05	1,844	46.10	36.8%
Other Income ¹	128	3.20	20	0.50	540.0%
Total Revenues	2,650	66.25	1,864	46.60	42.2%
Total Operating Expenses (including lease charges)	1,890	47.25	1,442	36.05	20.7%
EBITDAL²	977	24.40	477	11.92	104.8%
EBITDA	760	19.00	422	10.54	80.1%
Finance Cost	306	7.63	311	7.76	-1.6%
Depreciation & Amortization	403	10.07	358	8.95	12.6%
Amortization on share issue expenses	18	0.45	-	-	-
Exceptional Expense/(Income) ³	86	2.15	-	-	
Profit before Tax	(52)	(1.30)	(247)	(6.17)	
Tax	3	0.08	1	0.03	200.0%
Profit after Tax	(55)	(1.38)	(248)	(6.20)	
EBITDAL%	36.9%	36.9%	25.6%	25.6%	
EBITDA%	28.7%	28.7%	22.6%	22.6%	
PAT%	-2.1%	-2.1%	-13.3%	-13.3%	

Notes:

1. Other Income includes foreign exchange gain of INR 64 mn in Sep 07 quarter.
2. EBITDAL is earnings before Interest, tax, depreciation & amortization and site lease charges.
3. Includes one-time break cost of INR 116 mn for pre-payment of loan and certain exceptional gains.

Spice | Operating Expenses- Q E September 2007

Rs Million	% of		% of		% of	
	Sep-07	Revenues	Jun-07	Revenues	Sep-06	Revenues
License fees & WPC charges	223	8.4%	208	8.2%	157	8.4%
Network Operating Expense	777	29.3%	725	28.5%	624	33.5%
Personnel Expenses	150	5.6%	120	4.7%	109	5.8%
Sales & Marketing Costs	354	13.4%	367	14.4%	300	16.1%
Administrative Costs	168	6.3%	194	7.6%	188	10.0%
Site Lease Charges	216	8.1%	203	8.0%	55	3.0%
Purchase of traded goods	16	0.6%	9	0.35%	9	0.5%
(Increase)/Decrease in Stock	(14)	-0.5%	9	0.35%	-	-
Total Operating Expenses	1,890	71.3%	1,835	72.0%	1,442	77.4%
EBITDA	760	28.7%	713	28.0%	422	22.6%
EBITDAL	977	36.9%	916	36.0%	477	25.6%

Spice | Balance Sheet Snapshot- Q E September 2007

Expenses	Period ended			
	Sep-07	Jun-07	Dec-06	Sep-06
Equity Share Capital ¹	6,899	5,768	5,519	5,519
Reserves & Surplus	4,943	871		
Loan Funds	8,856	12,179	12,079	11,491
Total Liabilities	20,698	18,818	17,598	17,010
Gross Block	24,957	20,785	20,440	19,701
Depreciation	11,354	10,970	10,263	9,925
Net Block	13,603	9,815	10,177	9,776
Net Current Assets (excluding cash)	(4373)	(855)	(1,176)	(1,268)
Cash & Bank Balances	3,608	2,322	1,273	1,363
Net Current Assets	(765)	1,467	97	95
Misc Expenditure	619	351	281	235
P&L Account	7,241	7,185	7,043	6,904
Total Assets	20,698	18,818	17,598	17,010

Notes:

1. In July 2007, the Company has issued 113.11 mn shares at a price of Rs 46, including a premium of Rs 36 per share, to raise a total of Rs 5.2 Bn (excluding Pre IPO) to public shareholders in its IPO

Thank You

