



# Spice Communications Limited

**April - June 2007**

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 22.8% - 2.1 mn subscribers\*

Total subscriber base of 3.2 mn\* with a market share of 14.6% in Punjab & Karnataka

Largest Roaming network with over 450 bilateral agreements with operators worldwide

IPO completed successfully with a 37x oversubscription- listed on the Bombay Stock Exchange with a market capitalisation of over INR 40 bn

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

\*Note: Subscriber No.s as of June 2007

Source: COAI

P&L Account Rs Million	Quarter ended			Growth	
	Jun-07	Mar-07	Jun-06	QoQ	YoY
Subscribers ('000s)	3,170	2,729	2,055	16.2%	54.3%
Total Revenues <sup>1</sup>	2,548	2,210	1,868	15.3%	36.4%
Operating Expenditure	1,632	1,477	1,343	10.5%	21.5%
EBITDAL <sup>2</sup>	916	733	525	25.0%	74.5%
Lease Charges	203	183	21	10.9%	866.9%
EBITDA	713	550	504	29.7%	41.5%
PAT	4	(146)	(116)		
EBITDAL%	36.0%	33.2%	28.1%		
EBITDA%	28.0%	24.9%	27.0%		
PAT%	0.2%	-6.6%	-6.2%		

Notes:

1. Total Revenues includes other income, which consists of foreign exchange gains of INR 171 mn in June 07 quarter and INR 42 mn in March 07 quarter
2. EBITDAL is earnings before Interest, tax, depreciation & amortization and site lease charges

**QoQ Subscriber  
growth - 16%**

**QoQ Revenues  
growth - 15%**

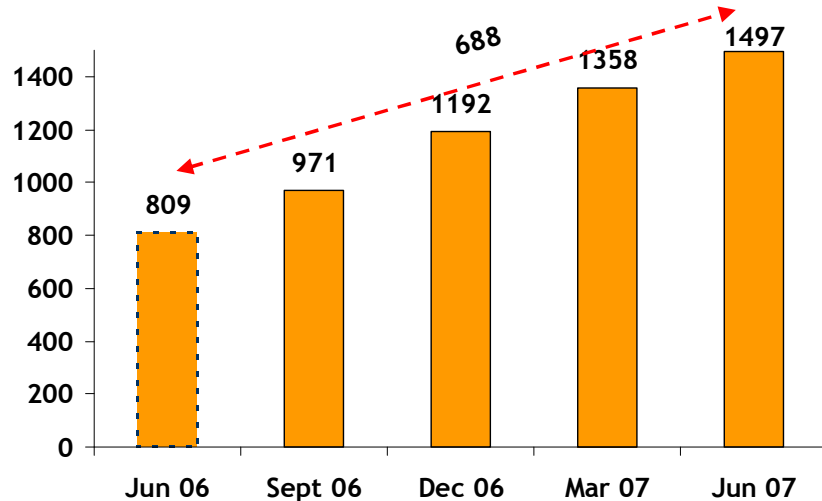
**QoQ EBITDA  
growth - 30%**

Overview

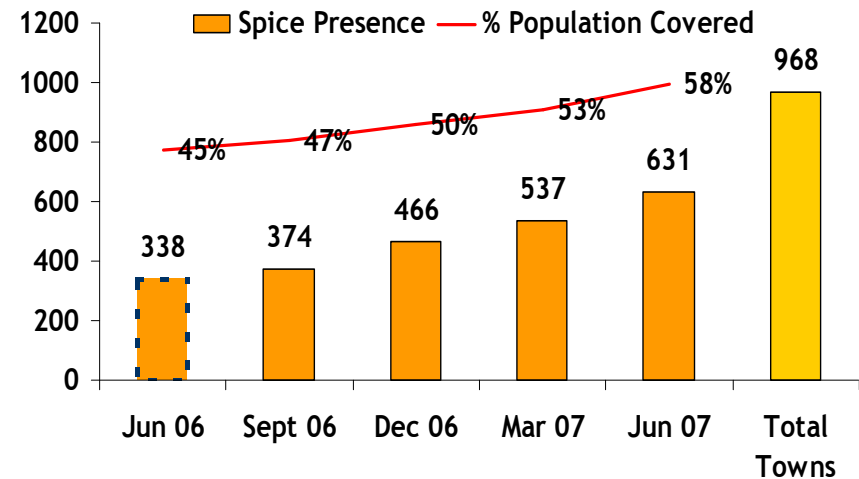
**Operating Parameters**

Financial Parameters

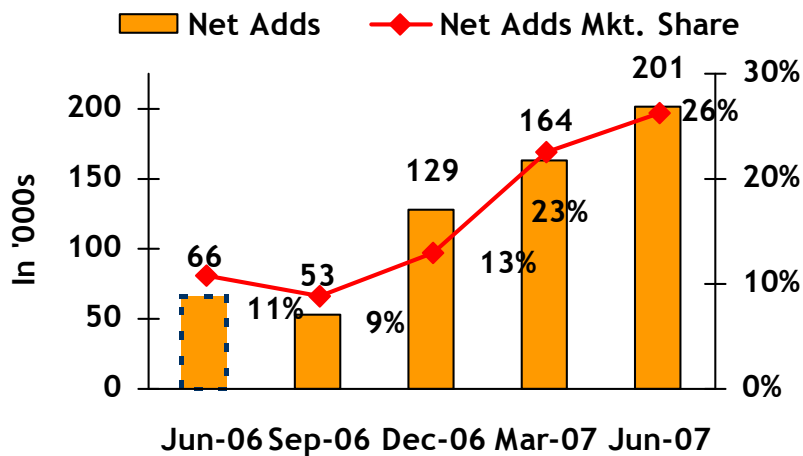
## 85% increase in Cell Sites in one year



## 293 new towns covered since Jun 06

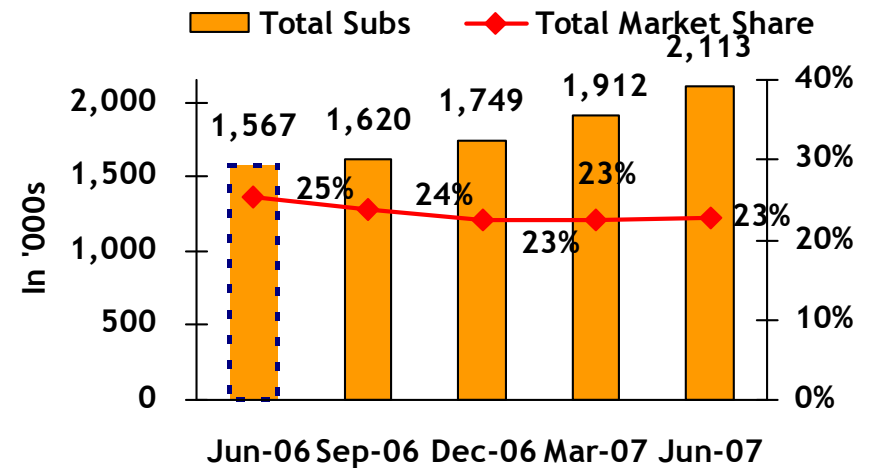


## Accelerating Net Additions<sup>1</sup>



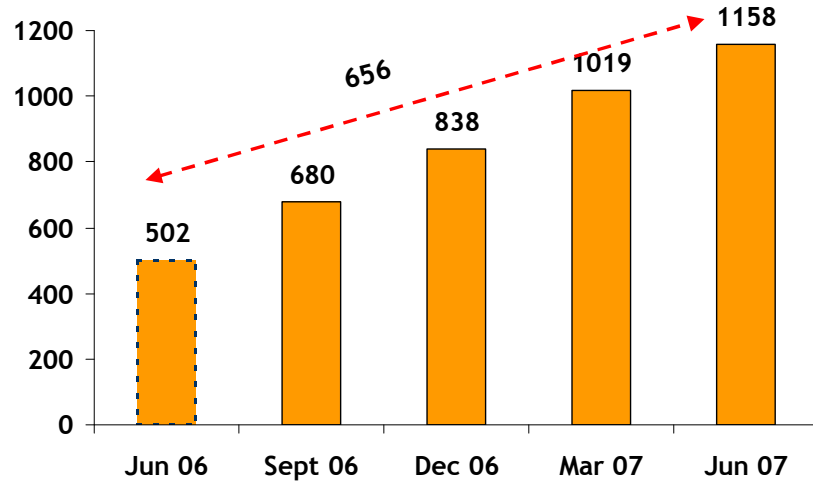
<sup>1</sup> Source: AUSPI, COAI

## Consolidating market share

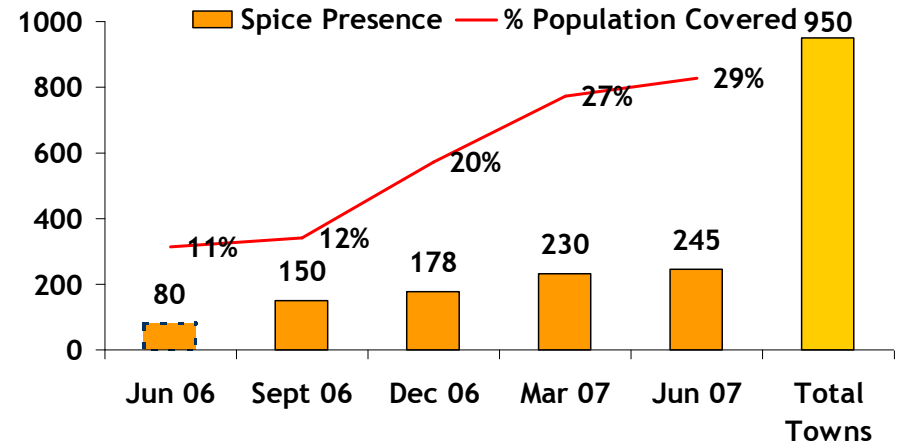


Network expansion strategy to maintain Spice position as top two operators

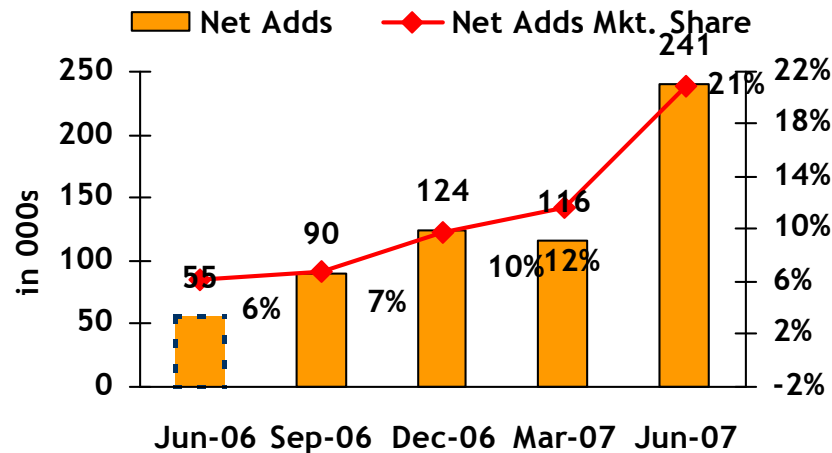
## 128% increase in Cell Sites since Jun 06



## 165 new towns covered since Jun 06

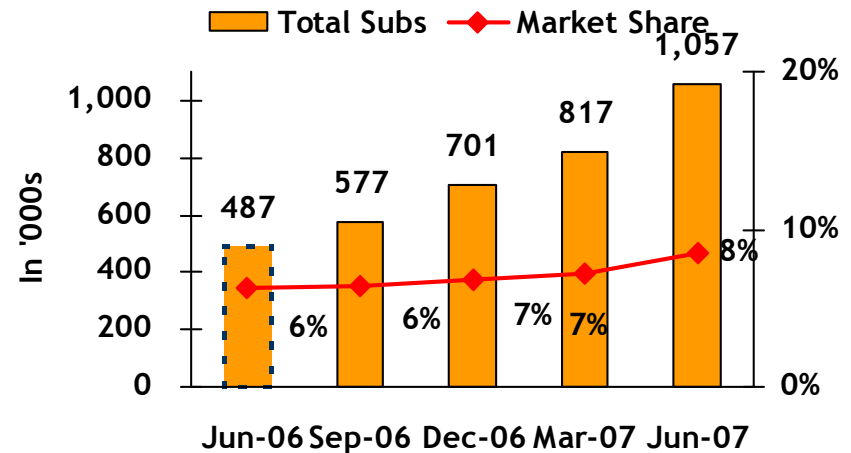


## Incremental market share on the rise<sup>1</sup>



<sup>1</sup>Source: AUSPI, COAI

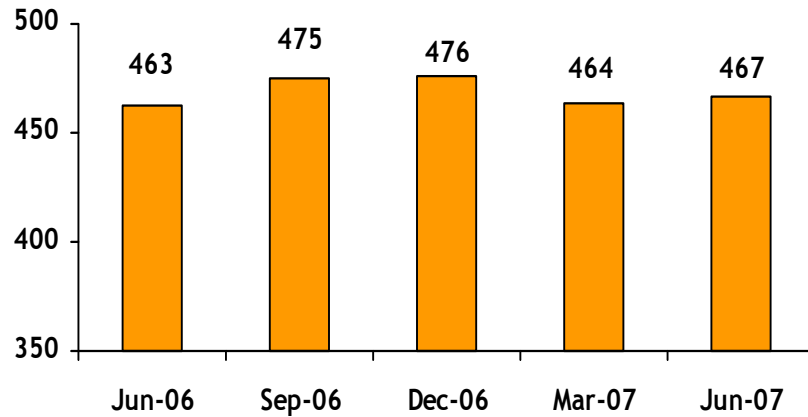
## Expansion strategy leading market share gain



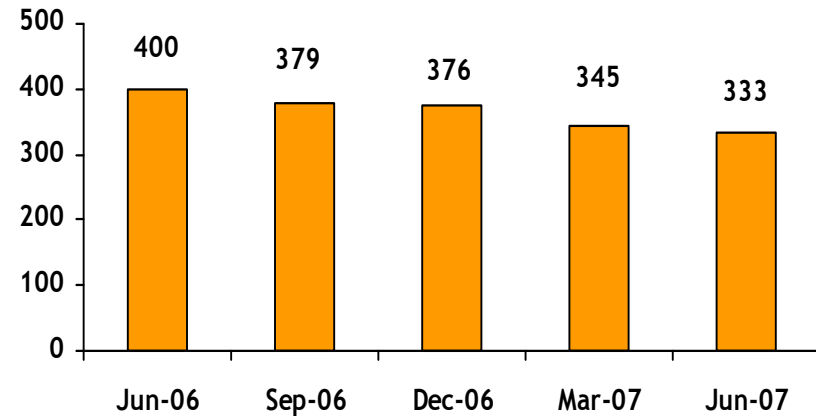
Network investments & increasing coverage has led to growth in market share

# Operating Parameters

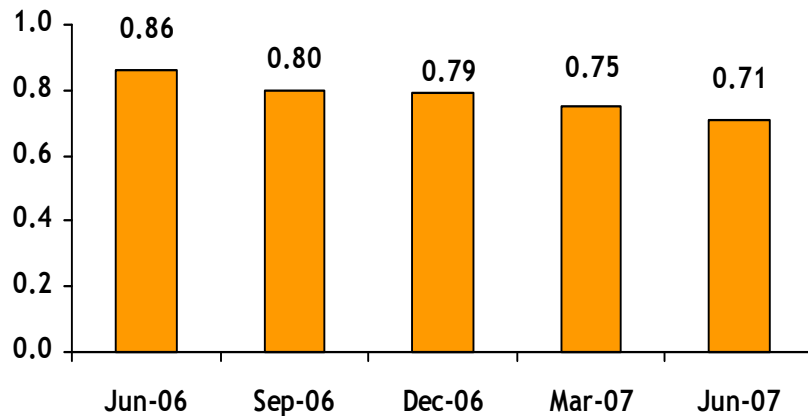
### Average MOU (in Mins/sub/month)



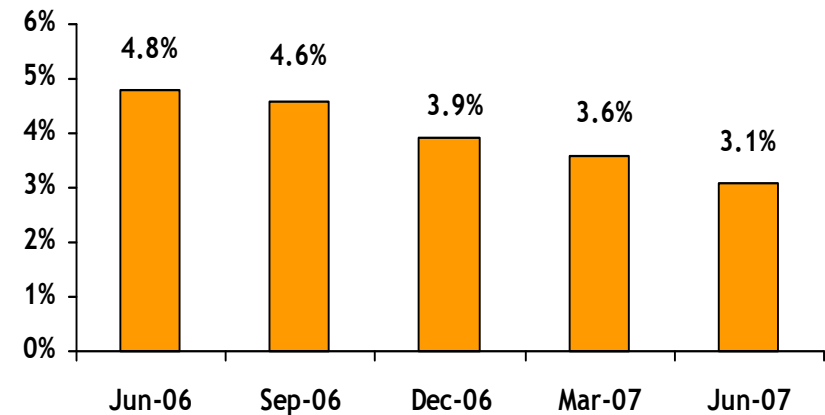
### ARPU<sup>1</sup> (in INR/sub/month)



### ARPM (in INR/min)



### Churn (in %)



Notes:

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

Overview

Operating Parameters

Financial Parameters

P&L Account Rs Million	Quarter ended			Growth	
	Jun-07	Mar-07	Jun-06	QoQ	YoY
Sales & Services Revenues	2,317	2,137	1,764	8.4%	31.3%
Other Income <sup>1</sup>	231	73	104	216.4%	122.1%
<b>Total Revenues</b>	<b>2,548</b>	<b>2,210</b>	<b>1,868</b>	<b>15.3%</b>	<b>36.4%</b>
<b>Total Operating Expenses</b>	<b>1,835</b>	<b>1,660</b>	<b>1,364</b>	<b>10.5%</b>	<b>34.5%</b>
<b>EBITDA</b>	<b>713</b>	<b>550</b>	<b>504</b>	<b>29.7%</b>	<b>41.5%</b>
<b>EBITDAL<sup>2</sup></b>	<b>916</b>	<b>733</b>	<b>525</b>	<b>25.0%</b>	<b>74.5%</b>
Net Interest Expense	324	328	300	-1.2%	8.0%
Depreciation	282	265	210	6.4%	34.3%
Amortization	101	99	100	2.0%	1.0%
<b>Profit before Tax</b>	<b>6</b>	<b>(142)</b>	<b>(106)</b>		
Tax	2	4	3	-50.0%	-33.3%
Prior period expense	-	-	7		
<b>Profit after Tax</b>	<b>4</b>	<b>(146)</b>	<b>(116)</b>		
<b>EBITDAL%</b>	<b>36.0%</b>	<b>33.2%</b>	<b>28.1%</b>		
<b>EBITDA%</b>	<b>28.0%</b>	<b>24.9%</b>	<b>27.0%</b>		
<b>PAT%</b>	<b>0.2%</b>	<b>-6.6%</b>	<b>-6.2%</b>		

Notes:

1. Other Income includes foreign exchange gains of INR 171 mn in June 07 quarter and INR 42 mn in March 07 quarter
2. EBITDAL is earnings before Interest, tax, depreciation & amortization and site lease charges

**15% QoQ growth in Revenues & 30% QoQ growth in EBITDA**

# Spice | Operating Expenses

Rs Million	% of		% of		% of	
	Jun-07	Revenues	Mar-07	Revenues	Jun-06	Revenues
License fees & WPC charges	208	8.2%	189	8.6%	154	8.2%
Network Operating Expense	725	28.5%	673	30.5%	579	31.0%
Personnel Expenses	120	4.7%	140	6.3%	114	6.1%
Sales & Marketing Costs	367	14.4%	262	11.9%	325	17.4%
Administrative Costs	194	7.6%	179	8.1%	171	9.2%
Site Lease Charges	203	8.0%	183	8.3%	21	1.2%
Cost of Goods Sold	18	0.7%	34	1.5%		0.0%
<b>Total Operating Expenses</b>	<b>1,835</b>	<b>72.0%</b>	<b>1,660</b>	<b>75.1%</b>	<b>1,364</b>	<b>73.0%</b>
<b>EBITDA</b>	<b>713</b>	<b>28.0%</b>	<b>550</b>	<b>24.9%</b>	<b>504</b>	<b>27.0%</b>
<b>EBITDAL</b>	<b>916</b>	<b>36.0%</b>	<b>733</b>	<b>33.2%</b>	<b>525</b>	<b>28.1%</b>

Rs Million	Jun-07	Period ended Mar-07	Dec-06
Equity Share Capital <sup>1</sup>	5,768	5,519	5,519
Reserves & Surplus	871		
Loan Funds	12,179	12,422	12,079
<b>Total Liabilities</b>	<b>18,818</b>	<b>17,941</b>	<b>17,598</b>
Gross Block	20,785	21,384	20,439
Depreciation	10,970	10,621	10,263
<b>Net Block</b>	<b>9,815</b>	<b>10,763</b>	<b>10,176</b>
Net Current Assets (excluding cash)	(855)	(1,613)	(1,175)
Cash & Bank Balances <sup>2</sup>	2,322	1,307	1,273
<b>Net Current Assets</b>	<b>1,467</b>	<b>(306)</b>	<b>98</b>
Misc Expenditure	351	294	281
<b>P&amp;L Account</b>	<b>7,185</b>	<b>7,190</b>	<b>7,043</b>
<b>Total Assets</b>	<b>18,818</b>	<b>17,941</b>	<b>17,598</b>

Notes:

1. As part of the IPO, in June 2007, the Company issued 24.87 mn shares to Pre IPO Investors at a premium of Rs 35 per share to raise an aggregate amount of Rs 1.1 Bn
2. 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

**Total of Rs 6.3 Bn raised from IPO & pre IPO placement**

**Thank You**