With operations in 11 circles, a subscriber base of 13.64 million as of February 2007, and a successful IPO recently concluded, Idea Cellular intends to consolidate its presence in all its circles and invest in further expansion. It has taken the IPO route to fund these expansion plans. Managing Director Sanjeev Aga talks about the company's strengths, its key thrust areas and future plans... How would you rate Idea's performance in 2006? What have been the high points?
Idea Cellular has been operating in eight established circles –- Maharashtra and Goa excluding Mumbai, Gujarat, Haryana, Uttar Pradesh (West), Kerala, Madhya Pradesh, Andhra Pradesh and Delhi –- and was the first mobile operator to launch services in several circles. These eight circles represent approximately 47 per cent of the Indian mobile subscriber base across operators. Moreover, Idea enjoys a leadership position in Maharashtra, Uttar Pradesh (West) and Haryana, and second position in Kerala and Madhya Pradesh.

During the past nine months, Idea has witnessed the fastest growth in market share in these eight established circles, to end December 31, 2006 with a share of 17.7 per cent, a gain of 1.2 per cent during this period. This demonstrates the market power, inherent consumer loyalty and preference for the Idea brand in the established circles. Idea successfully launched service in three new circles during the October-December 2006 quarter in Himachal Pradesh, Rajasthan and Uttar Pradesh (East), gaining 2.3 per cent market share in these circles and demonstrating the quality of the Idea network wherever it operates as well as the pull of innovative service and product offerings.

Idea has secured two more licences for the high-potential circles of Mumbai and Bihar, and work is in progress to launch services in these circles during 2007.

What are the company's targets for the short and long terms?
With a subscriber growth of 74 per cent per annum over the last four years, resulting in 12.4 million subscribers as on December 31, 2006, strong topline growth and stronger bottomline growth, Idea is well poised to continue consolidating its presence in all the markets it operates in.

Now, as part of the Aditya Birla Group, significant investments are being made to create a sustainable competitive edge for Idea in the marketplace with rapid growth in the number of towns and circles being covered as well as investment for superior quality of services in the existing markets.

The company is confident that it will outpace the market in the future.

How was Idea's IPO received by the market?
What are your future plans with regard to the same?
Idea's IPO has demonstrated the trust and confidence of global and domestic investors in the company. The issue received a tremendous response with overall demand of over Rs 1,200 billion. The total subscription received (excluding the greenshoe option) was approximately 57 times the issue. The funds generated from the IPO will be deployed for expansion in the three new circles, for implementing the NLD and Mumbai licences and for redemption of preference shares.

What will be the company's main thrust areas over the next couple of years in terms of target customers and product segments?
The telecom industry is on an exponential growth trajectory. We believe that the company is well poised to identify emerging opportunities and address them through segmented product offerings. Idea has been amongst the first mobile operators to make customised product offerings for the youth segment through the prepaid product I-card. Idea is the only GSM operator in India as of date to have a special Idea women's card, and has made a dent in the rapidly growing SME segment through specialised product offerings.

Market testing on low-end rural phones as well as other segmented products and value-added services is currently under way. Once the segment reaches critical size for mass deployment, Idea expects to be amongst the early operators to make unique offerings for such segments.

What does Idea offer to enterprise customers, service providers, etc.?
Idea has been pursuing the large and medium as well as SME segments through customised product offerings, be it vehicle tracking, power meters, e-mails

or customised products based on specific requirements. The Idea footprint is within India and as such, the offerings are for subscribers originating from India or roaming into the Indian network.

What kind of investment has been planned for the next few years?
Idea has made an estimated investment of Rs 20 billion during the last nine months in consolidating its presence across its operating circles and Phase-I investment in the three new circles. Over the next few years, we expect the reinvestment intensity to increase.

How does the Indian market compare with other Asian economies and other developing telecom markets?
As is widely known, India has overtaken even large markets like China during the last few months in terms of net monthly subscriber additions. There is a rapid growth of footprint in the urban and semiurban Indian markets, which are still at low penetration levels. For instance, in Idea's eight established circles, penetration is at 14.5 per cent only. This, in turn, demonstrates the high potential of urban and rural markets in these circles and we expect India to continue to demonstrate high growth for several years to come. We are upbeat about Idea being among the leading players participating and shaping this growth.

What would you say are the company's strengths and weaknesses vis-Ã -vis the competition?
Idea has a clear advantage of being amongst the leading players in its eight established circles and is capable of deploying this experience in capturing the untapped potential of the market.

What would you say is Idea's single clinching strength?
Innovation is perhaps the strongest plank for Idea in the telecom industry today. The brand Idea continues to attract subscribers through its transparency, high quality service, innovative tariffs and unique segmented offerings that have a refreshing difference.

These have made it a favoured brand for over 12 million subscribers.

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