

Bringing you closer
to the Consumer



Mobile market

An introduction to the
Indian market

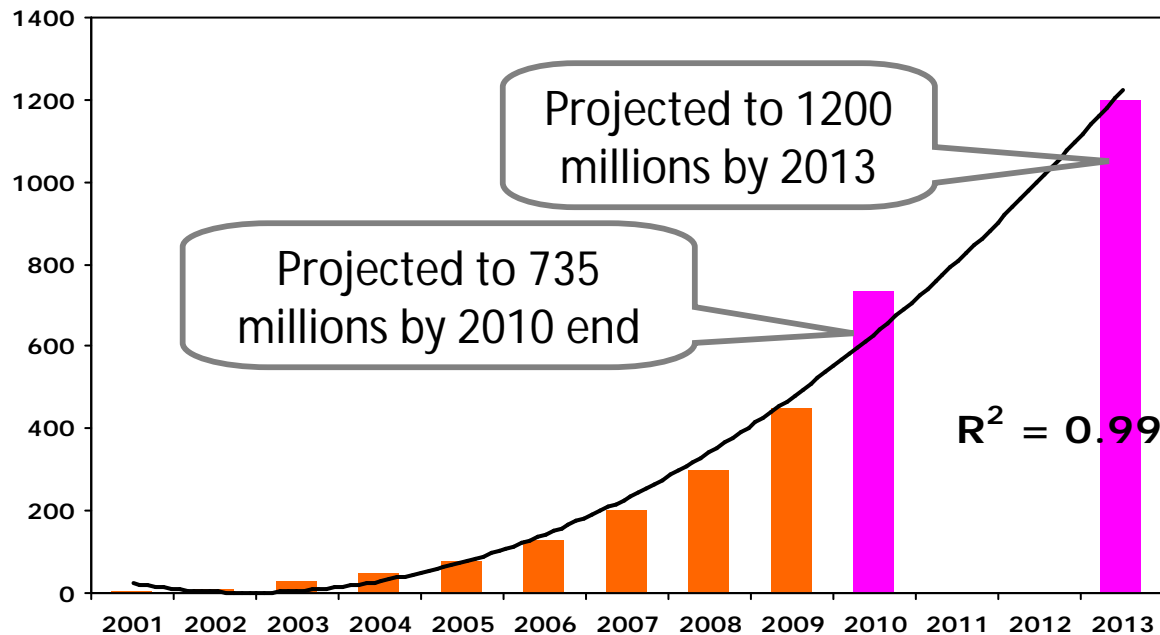
July, 2010

Presented by : AZ Research

Targeted to reach ~ 1200 million connections by 2013 → largest mobile market



India is the second largest mobile market in the world ~635 million connections as of June '10. Projected to ~735 millions by year end



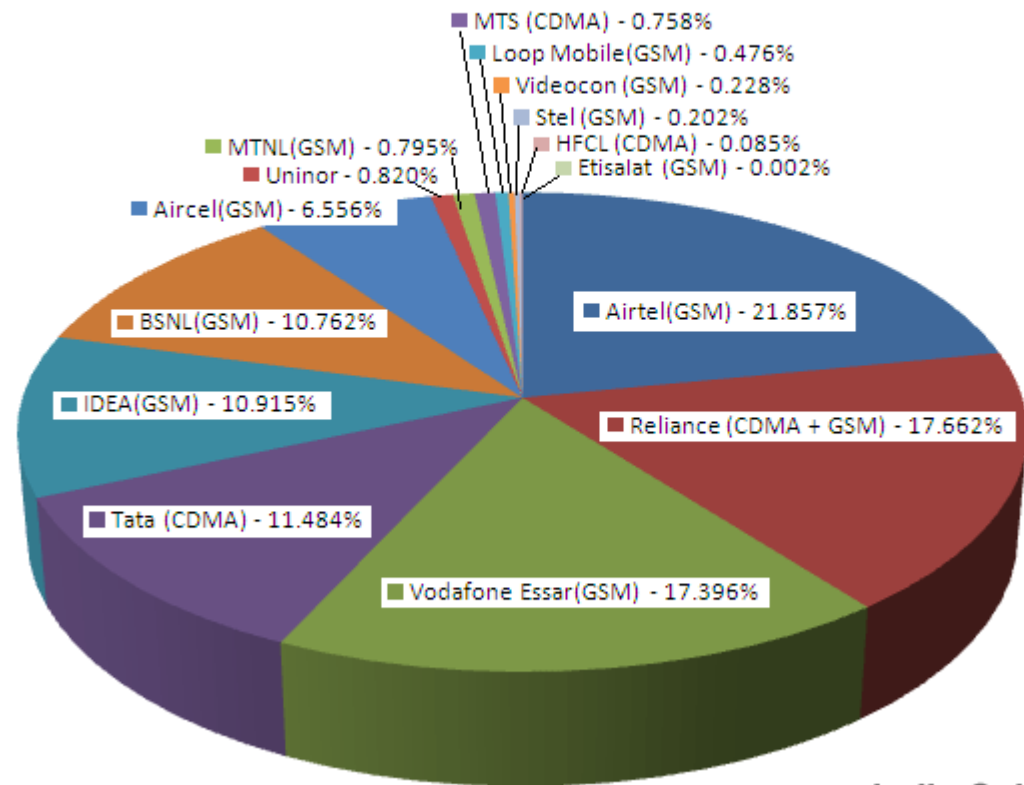
June, 2010

- ☞ Total Telephone subscriber base reaches 671.69 Million
 - ▶ Wireless subscription reaches 635.51 Million
 - ▶ Wireline subscription declines to 36.18
- ☞ 17.98 Million new additions in wireless
- ☞ Overall Tele-density reaches 56.83

* Based on secondary sources

Airtel by far the largest operator with ~4% lead over others ie., Reliance & Vodafone

Mobile Phone Subscriber base in India
Group Company wise Market Share as on 31/5/2010



Presented by *India-Cellular.com*

* Based on secondary sources

Handset market in India –complex to estimate because of bundle deals, replacement handsets etc



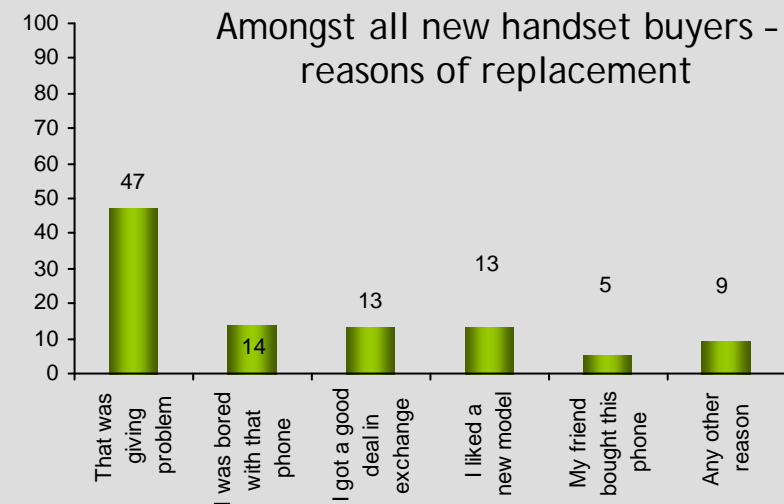
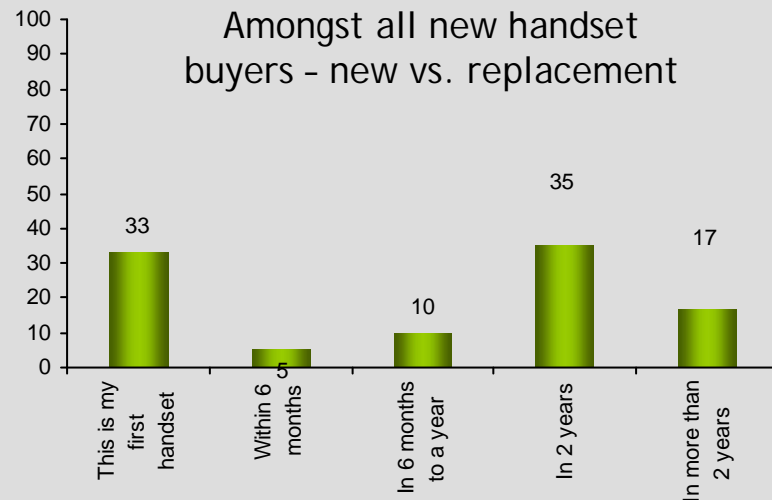
Estimated ~ 108 million mobile phones were sold in India during 2009-10

Estimated ~ 150 million new mobile connections were sold in India during 2009-10

* Based on secondary sources

Replacement market – 67% of new handset market is replacement market. With most people buying a replacement in 2 years, in Y2009, ~200 million should have been replacement from Y2007 & 100 million from Y2005

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There is a significant gap between what is claimed to be sale of cell phone connections & what should be number of handsets selling in the Indian market

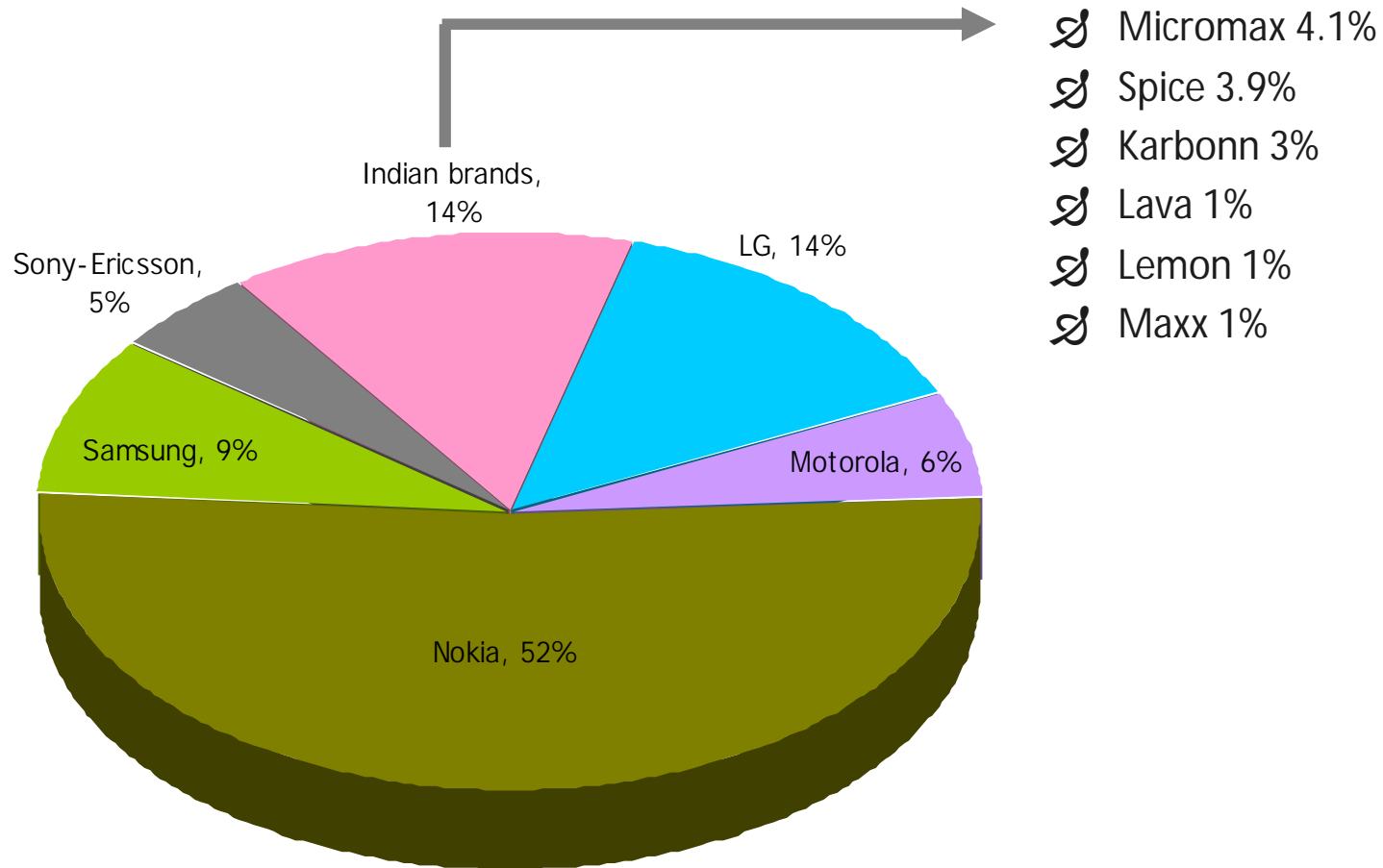
Few hypotheses which could explain the gap:-

1. Many registered (especially pre-paid) numbers not in use? - over reporting of subscriber base over years
2. Plethora of unregistered handsets in the Indian market
3. Re-cycling of handsets - second hand purchase, while this is under-reported in the industry

Market dynamics - New players emerge as established players lose share

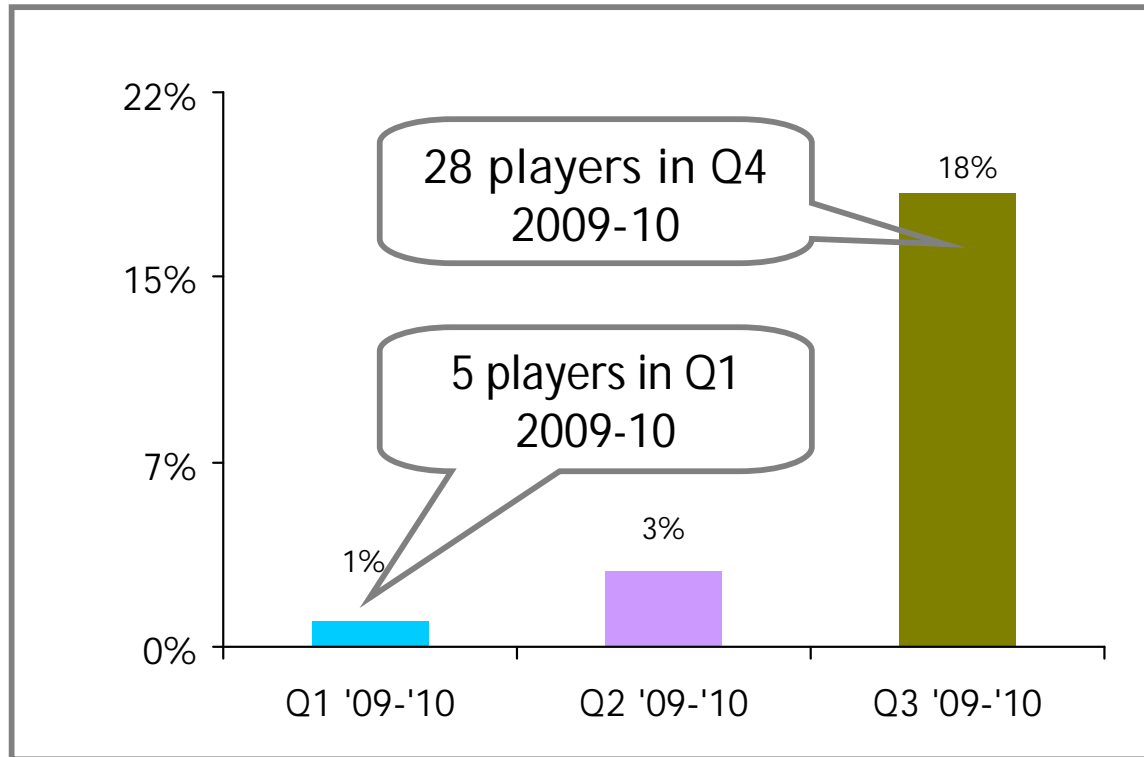


Estimated shares for 2009 - 10



* Based on secondary sources

Market dynamics - New players in the market – 28 by end of 2009



- ✂ Significant boom in the market as established players lose share
- ✂ Share of new Indian players is growing & growing fast
- ✂ By Q1, 2010 –'11, this share is estimates at ~25% to 30%
- ✂ Micromax – the lead player is estimated at ~8% in April 2010 (Source : Primary research)

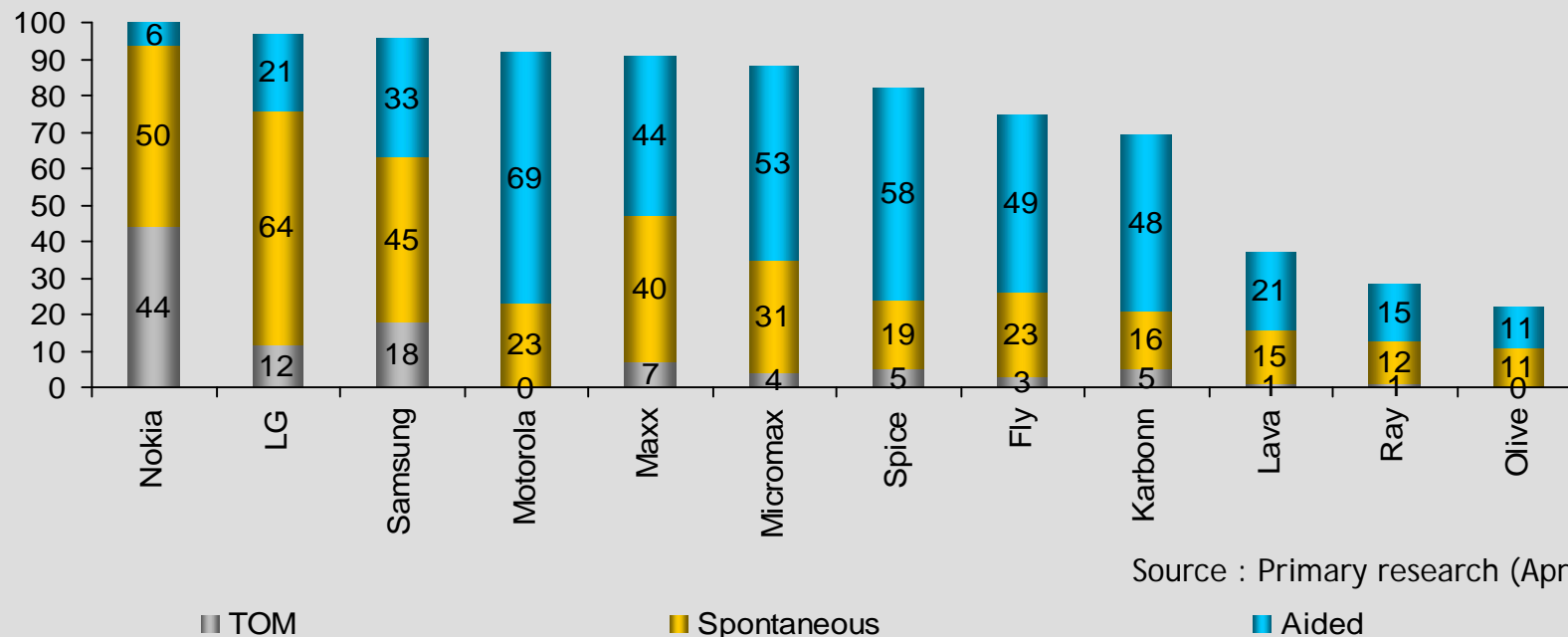
* Based on secondary sources

Nokia continues to be the most salient brand but new players garner significant spontaneous salience



Of the 28 new players, 5 have made a mark with the customer - Maxx, Micromax, Spice, Fly ad Karbonn

% of target group (those who have purchased a new handset in last 6 months) recalling each brand



Source : Primary research (April, 2010)

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