

Morgan Stanley

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January 25, 2013

Idea Cellular Ltd. (IDEA.NS)

Research Tactical Idea

We believe the share price will rise relative to the country index over the next 15 days.

This is because of an earnings release. Idea's F3Q12 results will be announced on Tuesday, Jan 29 and we think that it will be viewed positively by the market. We estimate 4% sequential traffic growth, after a seasonally weak Sep quarter, and ARPMS should rise by 1% QoQ, as the impact of the tariff hikes bears fruit. This would help enable a 7.5% QoQ growth in EBITDA and 21% QoQ PAT growth for the quarter in our view.

We estimate that there is about an 80%+ or "highly likely" probability for the scenario.

Estimated probabilities are illustrative and assigned subjectively based on our assessment of the likelihood of the scenario.

Stock Rating: Equal-weight

Industry View: In-Line

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Global Stock Ratings Distribution

(as of December 31, 2012)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	1103	37%	436	41%	40%
Equal-weight/Hold	1301	44%	497	46%	38%
Not-Rated/Hold	108	4%	27	3%	25%
Underweight/Sell	478	16%	111	10%	23%
Total	2,990		1071		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

Equal-weight (E or Equal) - The stock's total return is expected to be in line with the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

Not-Rated (NR) - Currently the analyst does not have adequate conviction about the stock's total return relative to the relevant country MSCI Index on a risk-adjusted basis, over the next 12-18 months.

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Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

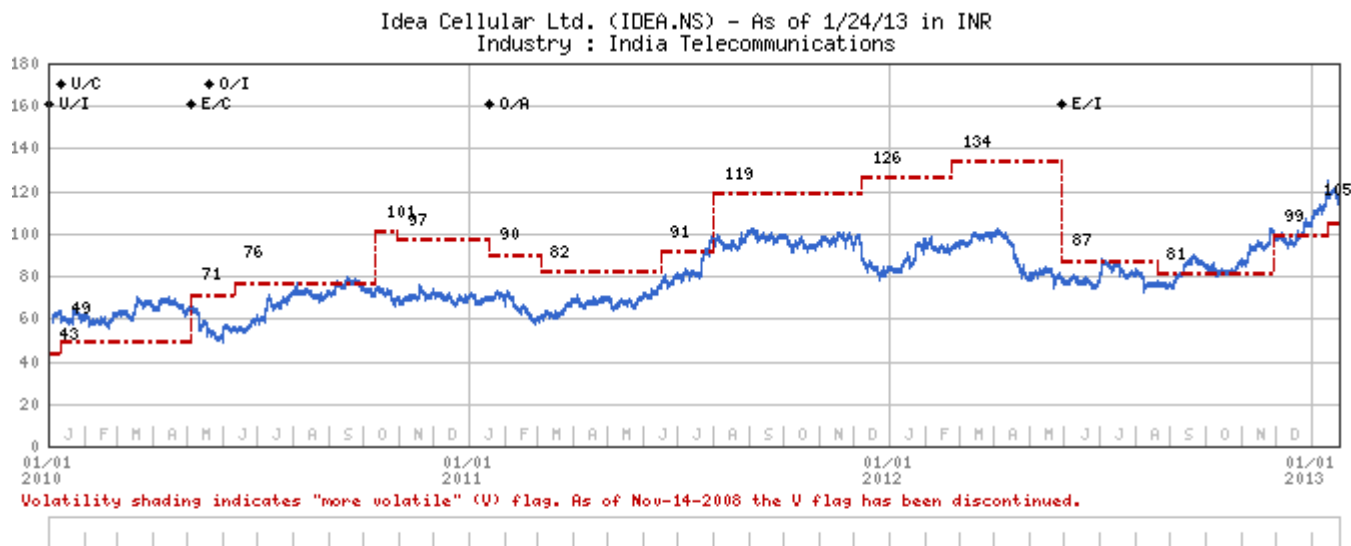
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Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

Stock Price, Price Target and Rating History (See Rating Definitions)

January 25, 2013
Idea Cellular Ltd.



Stock Rating History: 1/1/10 : U/I; 1/12/10 : U/C; 5/5/10 : E/C; 5/20/10 : O/I; 1/18/11 : O/A; 5/29/12 : E/I
Price Target History: 11/6/09 : 43; 1/12/10 : 49; 5/5/10 : 71; 6/11/10 : 76; 10/12/10 : 101; 10/31/10 : 97;
1/18/11 : 90; 3/4/11 : 82; 6/16/11 : 91; 8/1/11 : 119; 12/8/11 : 126; 2/24/12 : 134; 5/29/12 : 87; 8/20/12 : 81;
11/30/12 : 99; 1/15/13 : 105

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) More Volatile (V) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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Idea Cellular Ltd.

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Industry Coverage: India Telecommunications

Company (Ticker)	Rating (as of)	Price* (01/24/2013)
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Bharti Airtel Limited (BRTI.NS)	E (08/20/2012)	Rs361.9
Bharti Infratel (BHRI.NS)	O (01/15/2013)	Rs206.1
Idea Cellular Ltd. (IDEA.NS)	E (05/29/2012)	Rs114.2
OnMobile Global Ltd. (ONMO.NS)	O (09/02/2010)	Rs40.85
Reliance Communications Ltd. (RLCM.NS)	U (05/29/2012)	Rs80

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