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TELECOM REGULATORY AUTHORITY OF INDIA

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For Immediate release **Website :- www.trai.gov.in**

"Indian Telecom Services Performance Indicator Report" for the Quarter ending December 2010.

The TRAI today released the **"Indian Telecom Services Performance Indicator Report"** for the Quarter ending December 2010. This Report provides a broad perspective of the Telecom Services and presents the key parameters and growth trends for the Telecom Services as well as Cable TV, DTH & Radio Broadcasting services in India for the period covering October to December 2010, and is compiled on the basis of information furnished by the Service Providers.

Executive Summary of the Report is enclosed. The complete Report is available on TRAI's website www.trai.gov.in.

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Authorised to issue.

(Raj Pal)
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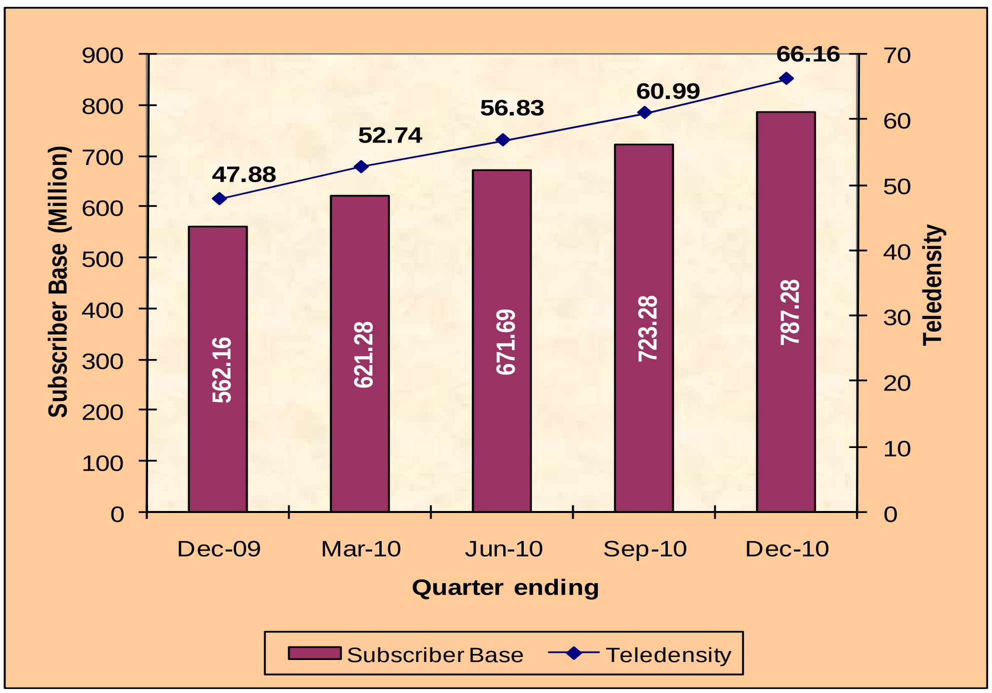
The Indian Telecom Services Performance Indicators
October - December 2010

Executive Summary

1. The number of telephone subscribers in India increased from 723.28 million in Sep-10 to 787.28 million at the end of Dec-10, registering a sequential growth of 8.85% over the previous quarter as against 7.68% during the QE Sep-10. This reflects year-on-year (Y-O-Y) growth of 40.05% over the same quarter of last year. The overall Teledensity in India has reached 66.16 as on 31st December 2010.

Trends in Telephone subscribers and Teledensity in India

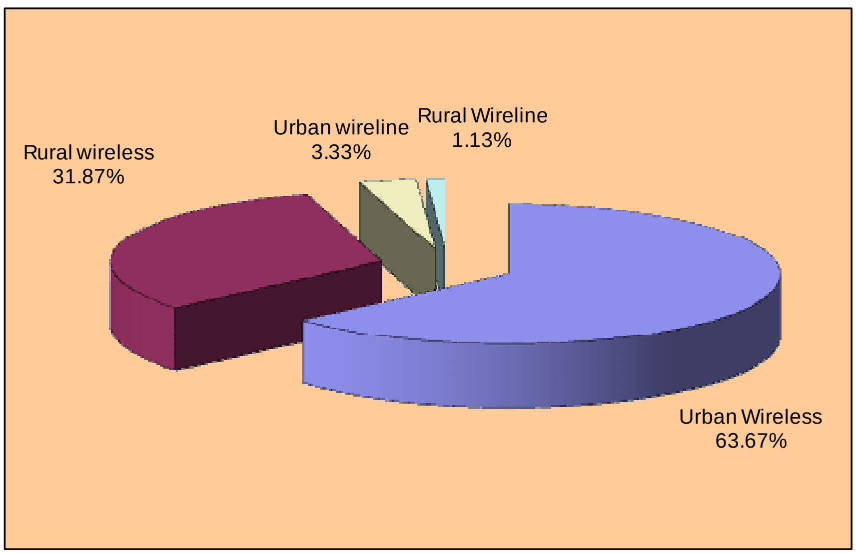


2. Subscription in Urban Areas grew from 487.07 million in Sep-10 to 527.50 million at the end of Dec-10, taking the Urban Teledensity from 137.25 to 147.88. Rural subscription increased from 236.21 million to 259.78 million, and the Rural Teledensity increased from 28.42 to

31.18. The share of Rural subscribers has increased to 33.00% in total subscription from 32.66% in Sep-10.

3. About 63.17% of the total net additions have been in Urban areas as compared to 66.83% in the previous quarter. Rural subscription recorded an increase in rate of growth during the quarter, from 7.81% in Sep-10 to 9.98% in Dec-10. Rate of growth for Urban subscription also increased from 7.62% in QE Sep-10 to 8.30% in QE Dec-10.

Composition of Telephone Subscribers



4. With 64.48 million net additions during the quarter, total wireless (GSM + CDMA) subscriber base registered a growth of 9.38% over the previous quarter and increased from 687.71 million at the end of Sep-10 to 752.19 million at the end of Dec-10. The year-on-year (Y-O-Y) growth over the same quarter of last year is 43.25%. Wireless Teledensity reached 63.22.

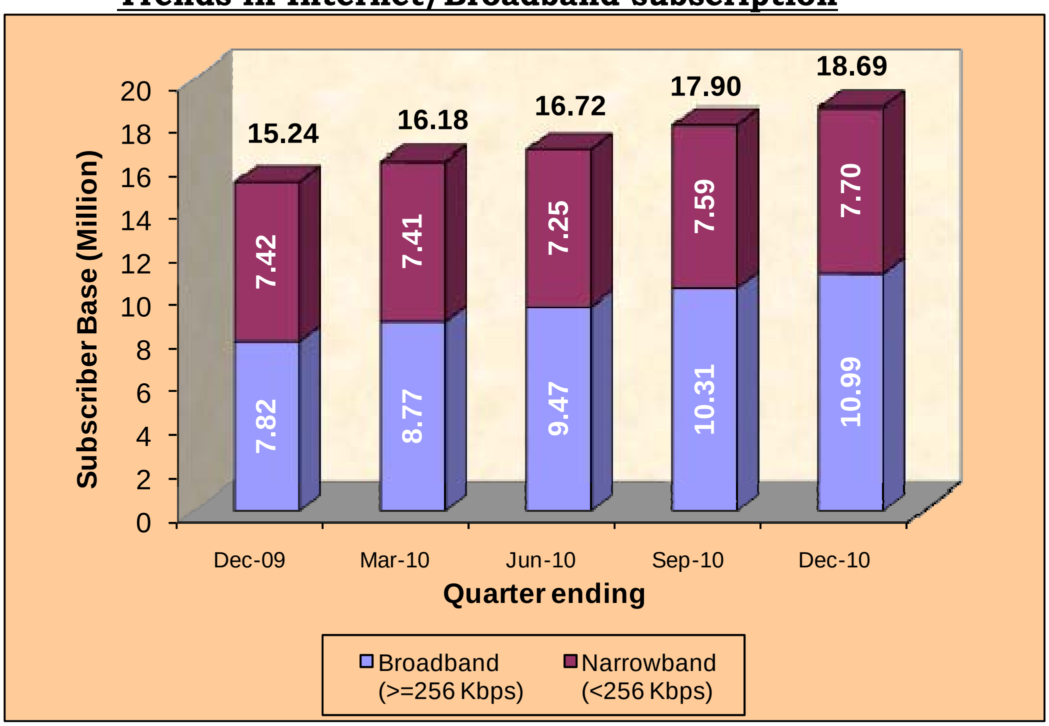
5. Wireline subscriber base further declined from 35.57 million at the end of Sep-10 to 35.09 million at the end of Dec-10, bringing down the wireline Teledensity from 3.00 in Sep-10 to 2.95 at the end of Dec-10.

6. Internet subscribers increased from 17.90 million at the end of Sep-10 to 18.69 million at the end of Dec-10, registering a quarterly growth rate of 4.43%. Top 10 ISPs together hold 95% of the total Internet subscriber base.

7. Number of Broadband subscribers increased from 10.31 million at the end of Sep-10 to 10.99 million at the end of Dec-10, registering a quarterly growth of 6.64% and Y-O-Y growth of 40.48%. The growth in the number of Broadband subscribers during the quarter and also on Y-O-Y basis is more or less similar to the growth in the over all telephone subscribers base.

8. Share of Broadband subscription in total Internet subscription increased from 57.6% in Sep-10 to 58.8% in Dec-10. 86.29% of the Broadband subscribers are using Digital Subscriber Line (DSL) technology.

Trends in Internet/Broadband subscription



9. Average Revenue Per User (ARPU) for GSM service declined by 4.38%, from ₹110 in QE Sep-10 to ₹105 in QE Dec-10, with Y-O-Y decrease of 27%.

10. MOU per subscriber for GSM service declined by 2.29%, from 368 in QE Sep-10 to 360 in QE Dec-10. The Outgoing MOUs (174) declined by 1.61% and Incoming MOUs (186) by 2.92%.

11. ARPU for CDMA – full mobility service declined by 6.38%, from ₹73 in QE Sep-10 to ₹68 in QE Dec-10. ARPU for CDMA has declined by 17% on Y-O-Y basis.

12. MOU per subscriber for CDMA-full mobility service declined by 4.73% from 283 in QE Sep-10 to 270 in QE Dec-10. The Outgoing MOUs (137) declined by 0.92% while Incoming MOUs (133) declined by 8.34%.

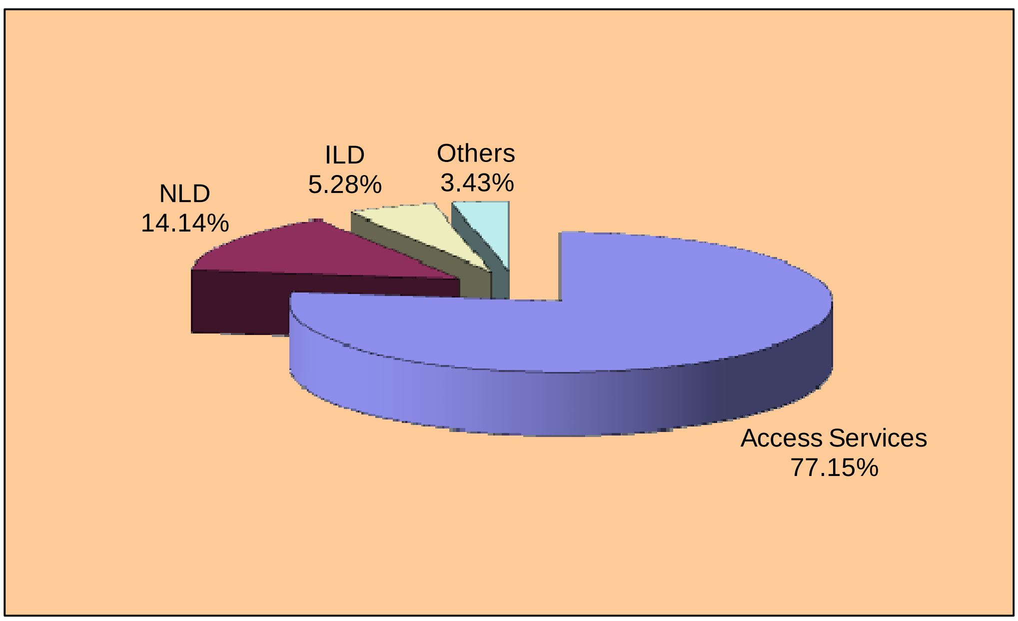
13. Gross Revenue (GR) and Adjusted Gross Revenue (AGR) of Telecom Sector for the QE Dec-10 has been ₹42,916.81 Crore and ₹29,925.37 Crore respectively. There has been an increase of 2.44% and 0.64% in GR and AGR respectively as compared to previous quarter. The year-on-year (Y-O-Y) growth for Dec-10 over the same quarter in last year has been 7.95% and 2.75%. Pass-through charges accounted for 30.27% of the GR for the quarter ending Dec-10. The quarterly and the year-on-year (Y-O-Y) growth rates of pass-through charges for QE Dec-10 are 6.84% and 22.20% respectively.

14. Average licence fee as percentage of AGR is 8.35% in QE Dec-10 as against 8.31% in previous quarter. The quarterly and the year-on-year (Y-O-Y) growth rates of the average licence fee for QE Dec-10 are 1.12% and 2.96% respectively.

15. Access services contributed 77.15% of the total revenue of telecom services. In Access services GR, AGR, License Fee & Spectrum charges increased by 3.46%, 1.81%, 2% & 18.28% respectively in the quarter ending Dec-10 vis-à-vis previous quarter.

16. Average Revenue per User (ARPU) for Access Services based on AGR declined from ₹114 in QE Sep-10 to ₹107 in QE Dec-10.

Composition of Gross Revenue



17. The performance of wireline service providers, in terms of various Quality of Service (QoS) parameters, in comparison to that in the previous quarter is summarized as under:

Parameters showing Improvement in QoS	**Parameters showing deterioration in QoS**	**Parameters showing no change in QoS**
• Fault incidences per 100 subs/month • % Fault repaired by next working day • % Fault repaired within 3 days • % Fault repaired within 5 days (for rural & hilly areas) • MTTR • Resolution of billing/charging/Credit & validity complaints • Period of applying credit/ waiver/ adjustment to customer's account from the date of resolution of complaints • %age of calls answered by the operators (voice to voice) within 60 sec.	• Metering & billing credibility – Post paid • Accessibility of call centre/ customer care • Termination / Closure of service 100% within 7 day • Time taken for refund of deposits after closures	• Call Completion Rate (in local network) • Answer to seizure Ratio (ASR) • Point of Intrconnection (POI) Congestion (No. of PoIs not meeting benchmark)

18. The performance of wireless service providers in terms of QoS during the quarter vis-à-vis that in previous quarter is depicted as under:

Parameters showing Improvement in QoS	**Parameters showing deterioration in QoS**
• BTSs Accumulated downtime (not available for service) • Worst affected BTSs due to downtime • Call Set-up Success Rate (within licensee's own network) • SDCCH/ Paging Chl. Congestion • TCH Congestion • Call Drop Rate • Metering and billing credibility - post paid • Metering and billing credibility - pre paid • Resolution of billing/ charging/ validity complaints • %age of calls answered by the operators (voice to voice) within 60 sec.	• Worst affected cells having more than 3% TCH drop (call drop) rate • Point of Interconnection (POI) Congestion (No. of POIs not meeting the benchmark) • Period of applying credit/ waiver/ adjustment to customer's account from the date of resolution of complaints • Accessibility of call centre/ customer care • %age requests for Termination / Closure of service complied within 7 days • Time taken for refund of deposits after closures

19. Total Number of channels registered with Ministry of I&B increased from 526 in Sep-10 to 604 in Dec-10. There are 155 pay TV channels in existence, as reported by 24 broadcasters/their distributors, as on QE Dec-10.

20. Maximum number of TV channels being carried by any of the reported MSOs is 310 whereas in the conventional analogue form, maximum number of channels being carried by the reported MSOs is 100 channels.

21. The number of private FM Radio stations in operation declined from 248 at the end of Sep-10 to 245 at the end of Dec-10.

22. Besides the free DTH service of Doordarshan, there are 6 private DTH licensees, offering their services to the DTH subscribers. As on 31.12.2010, their reported subscriber base is 32.05 million.

23. Number of Set Top Boxes (STBs) installed in CAS notified areas of Delhi, Mumbai, Kolkata and Chennai increased from 7,75,876 in Sep-10 to 7,86,422 in Dec-10.

Snapshot

(Data As on 31st December 2010)	
Telecom Subscribers (Wireless +Wireline)	
Total Subscribers	787.28 Million
% change over the previous quarter	8.85%
Urban Subscribers	527.50 Million (67.00%)
Rural Subscribers	259.78 Million (33.00%)
Market share of Private Operators	84.60%
Market share of PSU Operators	15.40%
Teledensity	66.16
Urban Teledensity	147.88
Rural Teledensity	31.18
Wireless Subscribers	
Total Wireless Subscribers	752.19 Million
% change over the previous quarter	9.38%
Urban Subscribers	501.30 Million (66.65%)
Rural Subscribers	250.89 Million (33.35%)
GSM Subscribers	641.73 Million (85.32%)
CDMA Subscribers	110.46 Million (14.68%)
Market share of Private Operators	87.75%
Market share of PSU Operators	12.25%
Teledensity	63.22
Urban Teledensity	140.53
Rural Teledensity	30.11
Wireline Subscribers	
Total Wireline Subscribers	35.09 Million
% change over the previous quarter	-1.34%
Urban Subscribers	26.21 Million (74.68%)
Rural Subscribers	8.88 Million (25.32%)
Market share of Private Operators	17.02%
Market share of PSU Operators	82.98%
Teledensity	2.95
Urban Teledensity	7.35
Rural Teledensity	1.07
Village Public Telephones (VPT)	0.58 Million
Public Call Office (PCO)	3.34 Million

Internet & Broadband Subscribers	
Total Internet Subscribers	18.69 Million
% change over the previous quarter	4.43%
Broadband Subscribers	10.99 Million
Broadcasting & Cable Services	
Total Number of Registered Channels with I&B Ministry	604
Number of Pay Channels	155
Number of private FM Radio Stations	245
DTH Subscribers registered with Pvt. SPs	32.05 Million
Number of Set Top Boxes in CAS areas	786,422
Telecom Financial Data (for the QE Dec-10)	
Gross Revenue during the quarter	₹ 42,916.81 Crore
% change in GR over the previous quarter	2.44%
Share of Public sector undertaking's in GR	15.90%
Adjusted Gross Revenue (AGR)	₹ 29,925.37 Crores
% change in AGR over the previous quarter	0.64%
ARPU for Access Services	₹ 107
Revenue & Usage Parameters (for the QE Dec-10)	
Average Revenue Per User (ARPU) GSM	₹ 105
Average Revenue Per User (ARPU) CDMA	₹ 68
Minutes of Usage (MOU) GSM	360 Minutes
Minutes of Usage (MOU) CDMA	270 Minutes
Minutes of Usage for Internet Telephony	160.85 Million