

For immediate release

PRESS RELEASE

Media Contact:

Divya Anand
Tata Communications
+94 (0) 713361744
divya.anand@tatacommunications.com

Investor Contact:

Vipul Garg
Tata Communications
+91 9818883639
vipul.garg@tatacommunications.com

Tata Communications' data business continues to drive positive momentum

Consolidated PAT at INR 42 Cr | Data services continue to deliver strong growth with 460 basis points improvement in year-on-year margins

Mumbai - August 1st 2016 - [Tata Communications](#) today announces its financial results for the quarter ended June 30th 2016 (Q1 FY17).

Highlights | Q1 FY2017

- Consolidated EBITDA grew by 18% YoY to INR 863 crores for the quarter with a 307 bps improvement in YoY EBITDA margins on the back of strong performance by Data services and aided by Voice.

Consolidated Nos.	INR crores	YoY Growth %	USD Mn	YoY Growth%
Gross Revenue	5,032	(2.9%)	752.6	(7.8%)
EBITDA	863	18.3%	129.0	12.2%

- Core business (consolidated numbers excluding Neotel) registered a growth of 2% in revenues YoY while EBITDA increased by 32% to INR 786 crores. This growth continues to be driven by the Global Data business which registered a growth of 14% in revenues and 42% in EBITDA YoY.

Core Nos.	INR crores	YoY Growth %	USD Mn	YoY Growth%
Gross Revenue	4,631	2.0%	692.6	(3.2%)
EBITDA	786	31.6%	117.6	24.8%
EBITDA Margin	17.0%	380 bps	17.0%	380 bps
PAT	90 crores		13.5	

In line with our strategy, revenue and EBITDA have shown a healthy trend over the last few quarters. We are seeing a clear shift in our business mix with revenue from Data services contributing 56% to gross revenue and 78% to EBITDA.

Productivity initiatives coupled with stability in volumes are leading to an improvement in Voice EBITDA, with a quarter-on-quarter improvement of 70 bps in margins.

For immediate release**PRESS RELEASE**

We continue to generate healthy free cash flow. The free cash flows (EBITDA minus Capex) from the Core business for Q1 FY17 came at INR 346 crores (USD 52 Mn) and represent a growth of 31% on a YoY basis.

Commenting on these Q1 FY17 results, Vinod Kumar, MD and CEO, Tata Communications, said:

“We see ourselves as enablers in a world where businesses are accelerating their digital transformation and creating a platform economy. It is our intent to provide tailored solutions such as connectivity, cloud and mobility to enterprises in a secure and reliable manner. The layer of value-added services that sits above our world-leading infrastructure is driving the transformation of our business.”

“We have also seen a healthy accretion in both Global Enterprise and NextGen customers. This is important as these are the cornerstones for our future growth. As we evolve with macro-trends like IoT, Big Data and Artificial Intelligence (AI), the business is geared to deliver a steady enhancement in performance going forward. And as seen in this quarter, we are seeing a consistent directional improvement in Global Data services.”

Commenting on these results, Pratibha K Advani, CFO, Tata Communications, said:

“We are making positive strides in improving the quality of our earnings and showing consistent growth. Both the divestiture of Neotel and the strategic joint venture partnership announcement of our India and Singapore Data Centres give us headroom to operate more effectively in a highly-competitive environment.”

“We are committed to driving efficiency of capital utilisation and this is reflected in the improvement in our Return on Capital Employed for our Core business from 8.6 % in FY16 to 10.1 % at the end of Q1 FY17.”

Business highlights | Q1 FY17

- [Tata Communications expands flagship IZO™ cloud enablement platform with new storage service portfolio](#): IZO™ Cloud Storage is designed to address enterprises' complex storage demands, in keeping with the increase in volume of unstructured data. The solution aims to support enterprises' hybrid cloud adoption by combining network connectivity, cloud storage and data security.
- [Mobile network operators can now offer their customers Wi-Fi® calling, messaging and Internet access - both at home and abroad](#): Tata Communications has launched Wi-Fi+, a new Wi-Fi® cloud communication solution, which enables mobile network operators' customers to access the internet for calling, messaging, and data applications more seamlessly than ever.

Corporate highlights | Q1 FY17

- [ST Telemedia and Tata Communications enter into a strategic partnership to expand data centre business in India and Singapore](#): Singapore Technologies Telemedia (ST Telemedia), a strategic global investor focused on the communications, media and technology sectors, and Tata Communications, a leading global communications provider, today announce that they have entered into definitive agreements whereby ST Telemedia, through ST Telemedia Global Data Centres (STT GDC), will upon closing of the transaction acquire a 74% majority stake in Tata Communications' data centre business in India and Singapore. Tata Communications will remain as a significant shareholder, holding the remaining 26% stake in the businesses.
- [Liquid Telecom and RBH announce agreement to acquire Neotel](#): Liquid Telecom, a privately owned, pan-African telecoms group, majority owned by Econet Wireless Global, announces that it has entered into an agreement to acquire South African communications network operator Neotel.

For immediate release**PRESS RELEASE**

A fact sheet providing a detailed analysis of the results for the quarter ended June 30th 2016 has been uploaded on the Tata Communications website and can be accessed at:

<http://www.tatacommunications.com/sites/default/files/FIN-investorfactsheet-PDF-20160801.pdf>

Ends...

[About Tata Communications](#)

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network with connectivity to more than 200 countries and territories across 400 PoPs, as well as nearly 1 million square feet of data centre and collocation space worldwide.

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

<http://www.tatacommunications.com>

[Forward-looking and cautionary statements](#)

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications' expected financial position, business strategy, the future development of Tata Communications' operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications' network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company's communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications' industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications' control, include, but are not limited to, those risk factors discussed in. Tata Communications' various filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov. Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.