

For immediate release**PRESS RELEASE****Media Contact:**

Divya Anand

Tata Communications

+94 (0) 713361744

divya.anand@tatacommunications.com**Tata Communications' data business continues to sustain positive momentum and deliver industry leading growth**

Y-o-Y Data revenues up 18% and EBITDA up 23%; sequential expansion in margins for the last four quarters

Dividend of INR 4.30 per share announced

Mumbai - May 27th 2016 Tata Communications today announces its financial results for the quarter and year ended March 31st 2016.

Highlights | Q4 FY2016

- Consolidated revenues stood at INR 51,454.1 million (USD 761 million @average INR/USD exchange rate of 67.52)
- Consolidated EBITDA at INR 7,664.9 million (USD 113.4 million) resulted in a margin of 14.9%
- Q4 FY16 saw further acceleration in the data business, building on the trend from earlier quarters. Q4 FY16 data revenues were 4.9% higher Q-o-Q at INR 28295 million (USD 419 million @average INR/USD exchange rate of 67.52) with corresponding EBITDA margins at 22.8%

Highlights | FY2016

- Consolidated revenues stood at INR 205,548 million (USD 3141 million @average INR/USD exchange rate of 65.44) primarily driven by accelerated growth in the data business offset by the volatility in the voice and the Start-Up business
- Consolidated EBITDA at INR 30,335 million (USD 463.6 million) resulted in a margin of 14.8%
- The Enterprise business maintained its leadership position with a 27% market share in India. Managed services for global enterprises continues to be a key growth driver
- Payment services business(TCPSL) turned EBITDA positive
- Over 600 enterprise customers added to a bouquet of more than 3600 enterprise customers globally from Fortune 500, ET 500 & Forbes 2000 companies

Key trends

FY16 marked another year of sustained growth in the Core business (comprising of data and voice businesses). Both the revenue and earnings profile have been shaped by improved growth acceleration in the data business. During FY16, Core revenues registered 5% growth and EBITDA margins grew by 80 bps Y-o-Y.

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FY16 data business EBITDA margins stood at 20.8%, 90 bps higher Y-o-Y. The Company continues to make gains in the Enterprise business, which delivered 23% growth in FY16 (Y-o-Y) on the back of strong demand for its innovative suite of solutions. The growth services in the data portfolio is also beginning to gain momentum and registered a 31% growth in FY16.

Neotel (Start-Up business) performance in FY16 was weak given the depreciation in the local currency and slower momentum in project based revenues, resulting in a Y-o-Y decline of 11.2% in revenues and hence lower profitability.

Commenting on the Q4 & FY16 results, Vinod Kumar, MD and CEO, Tata Communications, says, “It has always been our clear strategy to build an agile organisation with a strong portfolio of services to enable the digitisation and globalisation journeys of large businesses. Our adjacent incubations are beginning to attain critical mass and we are excited about the potential they hold. Industry accolades such as the AON Best Employer Award and our inclusion for the third time in a row as a Leader in the Gartner Magic Quadrant for Network Services endorse our belief in our strategy and execution going forward. We are well positioned to deliver value to our stakeholders from a long term perspective.”

Commenting on the results, Pratibha K. Advani, CFO, Tata Communications, says, “Our financial performance continues to reflect healthy operational trends with core PBT before exceptional items growing at over 27% in FY16. The data business is continuing to outpace industry growth significantly both in terms of revenues and margins. Our focus remains on harnessing this growth to step up free cash generation and deleverage the balance sheet while continuing to invest for future growth.”

Business highlights | Q4 FY2016

- [Tata Communications positioned as a Leader in the Gartner Magic Quadrant for Network Services, Global for the third consecutive year:](#) The Company has been positioned by Gartner as a ‘Leader’ in its 2016 Magic Quadrant for Network Services for the 3rd year in a row. The quadrant has been designed by Gartner to examine how effectively providers meet the current needs of business in terms of both ‘completeness of vision’ and ‘ability to execute’.
- [Tata Communications to deliver rugby union matches to 100 countries:](#) Tata Communications announced that it will be the Official Broadcast Partner as the top rugby union teams of the Northern and Southern Hemispheres clash in three matches in France and Hong Kong. This builds on the Company’s expertise in live sports broadcasting and content delivery where it is also the Official Connectivity Provider of Formula 1®
- [Tata Communications launches Data Roaming Boost to speed up Internet access for mobile users globally:](#) Tata Communications launched Data Roaming Boost, a global service that enables mobile network operators and service providers to deliver a significantly improved mobile internet experience for their customers, with the potential to halve the time it takes to open a webpage or application on their smart device whilst they are traveling overseas. Teleena, one of the world’s top mobile service and Internet of Things (IoT) enablers, is the first to roll out the industry-first service to enhance the delivery of its mobile and IoT applications globally.
- [Tata Communications and Anam join forces to support mobile network operators in the fight against SMS fraud and grey routing:](#) Tata Communications announced that it had partnered with Anam, the world’s fastest growing application-to-person (A2P) messaging monetisation service provider, to create an end-to-end solution that helps mobile network operators globally to tackle revenue loss caused by A2P SMS spam, fraud and ‘grey route’ messaging traffic - where message aggregators take advantage of non-contracted routes to send large volumes of A2P SMS messages.
- [Digicel Business and Tata Communications bring enhanced global connectivity to Caribbean enterprises:](#) Digicel Business, a leading global communications provider with operations in 31 markets, has partnered

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with Tata Communications, to deliver world-class connectivity to enterprise customers in the Caribbean region. The agreement extends the Digicel Business to more than 200 countries and territories worldwide over Tata Communications' leading global fiber network.

- [Air France-KLM's new network to unleash digital transformation and emerging market growth:](#) Tata Communications, announced that it has won a multi-million dollar contract with Air France-KLM, Europe's second largest airline, to provide next-generation network connectivity to 170 sites. The network will form the backbone for the company as it embraces the latest mobile, cloud, big data analytics and wearable technologies to enhance and personalise passenger experience.
- [Tata Communications named an Aon Best Employer India 2016:](#) Tata Communications, has been recognised as a 2016 Best Employer in India by Aon Hewitt. Aon Hewitt has recognised Tata Communications for its organisational culture that ranks high on employee development and engagement, a compelling employer brand, effective leadership and an enabler of consistent high performance.
- [IRISH TV selects Tata Communications as its global technology partner and OTT service provider:](#) Tata Communications, announced a partnership with IRISH TV, Ireland's first ever International TV channel, to bring the network's content directly to North American viewers for the first time. Using Tata Communications' Media Ecosystem platform, IRISH TV will provide a rich content experience and on-the-go access to 40 million Irish residents in the U.S. with international expansion plans to other regions in the near future.
- [Asian Television Network Canada and Tata Communications join forces to launch new OTT service across Canada:](#) Tata Communications, announced that it will be expanding its partnership with Asian Television Network (ATN) Canada, the country's largest South Asian Broadcaster, to bring the network's content to Canadian viewers, with potential for further international expansion. Using Tata Communications' Media Ecosystem, ATN Canada will deliver a mix of news, sports and entertainment content to Canadian viewers on virtually any device later this summer.
- [Tata Communications delivers F1® races to Sky viewers in the UK, Ireland, Germany, Austria and Italy:](#) Tata Communications, the Official Connectivity Provider of Formula 1®, announced that it had been selected by Sky to deliver the live broadcast feeds of all 21 Grands Prix starting with the 2016 FIA Formula One World Championship™ season over its global superfast fibre network. The deal will ensure a seamless race experience for viewers in the UK, Ireland, Germany, Austria and Italy, regardless of the Grand Prix location.

A fact sheet providing a detailed analysis of the results for the quarter and year ended March 31st 2016 has been uploaded on the Tata Communications website and can be accessed at:

[Fact sheet link to be inserted](#)

Ends...

[About Tata Communications](#)

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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.