



Q3 FY13 – Earnings Update

February 9th, 2013

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Q3 FY13 and 9M FY13 Performance Overview

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Highlights: Q3 FY2013

Consolidated financial highlights

- Consolidated Q3 revenues of Rs 44,341 million, up 23.0% y-o-y and 3.8% q-o-q
- Q3 Consolidated Operating EBITDA margins improved by 330 bps q-o-q to 13.6% due to
 - Strong core business performance with margin improvement across both GVS and GDS
- Core business returns back to positive PBT before exceptional items

Segment highlights

- Voice (GVS)
 - ILD volumes continue to grow faster than industry average, Q3 ILD volume up 18% y-o-y.
 - Net Revenue Per Minute (NRPM) saw slight improvement sequentially
- Data (GDS)
 - Enterprise business has gained traction, 20% Y-o-Y growth in Q3, 17% YTD growth (at constant currency)
 - Broad based build up in sales momentum across Forbes 2000, ET 500, next generation businesses and MNCs
 - Managed services (up 27% YTD) and next gen network services (up 30% YTD) continue to lead growth
- Neotel continues to accelerate growth, Q-o-Q growth of 6.2% in local currency (ZAR) terms

Other Key Highlights

Ongoing focus on cost optimization

- The Company has undertaken a staff optimization initiative in Q3 FY13
 - While some benefit has started flowing in Q4 FY13, full benefit will only reflect beginning Q1 FY14
- Several other initiatives underway on network and other cost

Successful inaugural bond issue on Singapore bond market

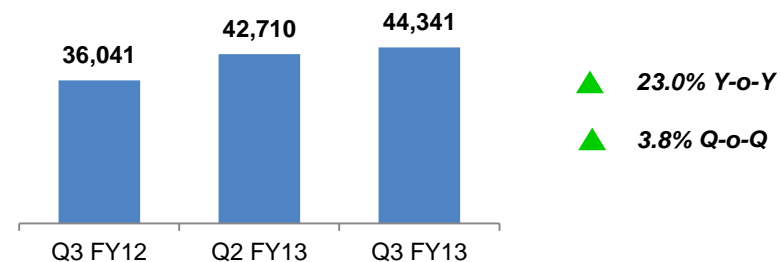
- The Company's indirect foreign subsidiary issued a SGD 250mn three-year bond at a coupon rate of 4.25% in January, 2013
- Received overwhelming response with issue being oversubscribed 14 times
- Proceeds to be used for repayment of existing high cost debt

Consolidated Financial Performance – Q3 FY2013

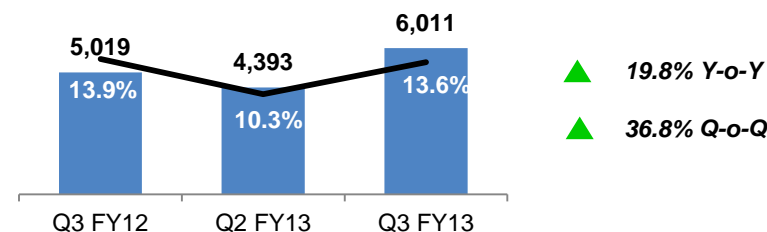
INR Mn

Q3 FY 2012	Particulars	Q2 FY 2013	Q3 FY 2013
36,041	Revenue from operations	42,710	44,341
5,019	Operating EBITDA	4,393	6,011
13.9%	<i>Operating EBITDA %</i>	10.3%	13.6%
290	Operating EBIT	(914)	610
0.8%	<i>Operating EBIT %</i>	-2.1%	1.4%
(1,109)	Profit Before Tax and Exceptional Items	(2,708)	(876)
-	Exceptional Items	-	791
(1,109)	PBT	(2,708)	(1,668)
-3.0%	<i>PBT (% of total income)</i>	-6.3%	-3.7%
(1,531)	PAT	(2,742)	(2,010)
-4.2%	<i>PAT (% of total income)</i>	-6.4%	-4.5%

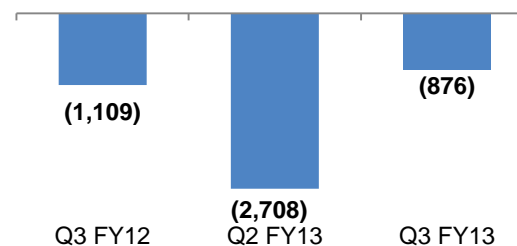
Revenue from Operations



Operating EBITDA and margins (% of gross revenue)



Profit Before Tax and Exceptional Items



Consolidated Financial Performance – 9M* FY2013

INR Mn

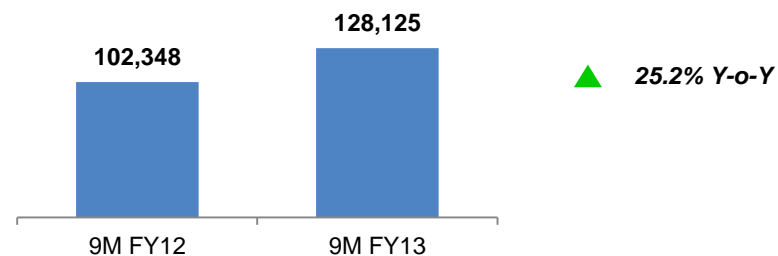
Particulars	9M FY2012	9M FY2013
Revenue from operations	102,348	128,125
Operating EBITDA	13,062	15,732
<i>Operating EBITDA %</i>	<i>12.8%</i>	<i>12.3%</i>
Operating EBIT	(210)	(266)
<i>Operating EBIT %</i>	<i>-0.2%</i>	<i>-0.2%</i>
Profit Before Tax and Exceptional Items	(5,787)	(4,477)
Exceptional Items	-	791
PBT	(5,787)	(5,269)
<i>PBT (% of total income)</i>	<i>-5.6%</i>	<i>-4.1%</i>
PAT	(5,337)	(6,181)
<i>PAT (% of total income)</i>	<i>-5.2%</i>	<i>-4.8%</i>

* Nine months ended December 2012

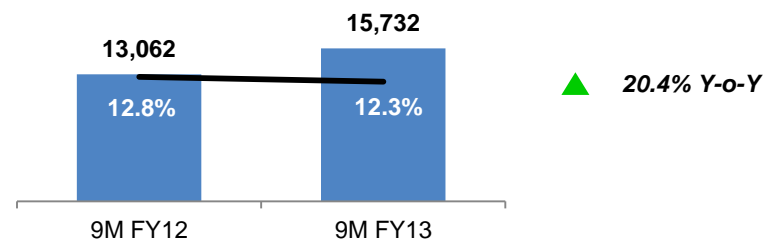
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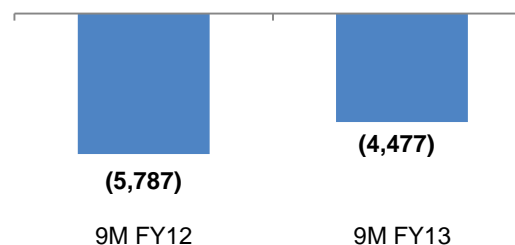
Revenue from Operations



Operating EBITDA and margins (% of gross revenue)



Profit Before Tax and Exceptional Items



Financial Performance by Segment – Q3 FY 2013

INR Mn

	CORE			STARTUP			CONSOLIDATED		
	Q3 FY 2012	Q2 FY 2013	Q3 FY 2013	Q3 FY 2012	Q2 FY 2013	Q3 FY 2013	Q3 FY 2012	Q2 FY 2013	Q3 FY 2013
Gross Revenues	31,648	37,840	39,532	4,394	4,870	4,810	36,041	42,710	44,341
Y-o-Y Growth			24.9%			9.5%			23.0%
Q-o-Q Growth			4.5%			-1.2%			3.8%
EBITDA	4,891	3,878	5,514	127	516	496	5,019	4,393	6,011
Y-o-Y Growth			12.7%			290%			19.8%
Q-o-Q Growth			42.2%			-3.8%			36.8%
EBIT	888	(823)	792	(598)	(91)	(182)	290	(914)	610
Profit Before Tax and Exceptional Items	627	(1,637)	107	(1,736)	(1,072)	(984)	(1,109)	(2,708)	(876)
PBT	627	(1,637)	(684)	(1,736)	(1,072)	(984)	(1,109)	(2,708)	(1,668)
PAT after Minority Interest	467	(1,828)	(1,107)	(1,998)	(915)	(904)	(1,531)	(2,742)	(2,010)

Average Rs/\$ Exchange rate: Q3 FY12 at 50.84; Q2 FY13 at 55.21; Q3 FY13 at 54.12

Average ZAR/\$ Exchange rate: Q3 FY12 at 8.10; Q2 FY13 at 8.26; Q3 FY13 at 8.69

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Financial Performance by Segment – 9M FY 2013

INR Mn

	CORE		STARTUP		CONSOLIDATED	
	9M FY 2012	9M FY 2013	9M FY 2012	9M FY 2013	9M FY 2012	9M FY 2013
Gross Revenues	89,489	113,836	12,859	14,289	102,348	128,125
Y-o-Y Growth		27.2%		11.1%		25.2%
EBITDA	13,430	14,126	(368)	1,606	13,062	15,732
Y-o-Y Growth		5.2%		NM		20.4%
EBIT	2,280	211	(2,491)	(477)	(210)	(266)
Profit Before Tax and Exceptional Items	1,021	(1,267)	(6,809)	(3,210)	(5,787)	(4,477)
PBT	1,021	(2,059)	(6,809)	(3,210)	(5,787)	(5,269)
PAT after Minority Interest	358	(3,207)	(5,695)	(2,974)	(5,337)	(6,181)

Average Rs/\$ Exchange rate: 9M FY12 at 47.10; 9M FY13 at 54.44

Average ZAR/\$ Exchange rate: 9M FY12 at 7.34; 9M FY13 at 8.36

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Core Business by Business Unit – Q3 FY 2013

INR Mn

	Global Voice Services (GVS)			Global Data Services (GDS)		
	Q3 FY 2012	Q2 FY 2013	Q3 FY 2013	Q3 FY 2012	Q2 FY 2013	Q3 FY 2013
Gross Revenues	17,273	21,138	22,143	14,375	16,703	17,389
Y-o-Y Growth			28.2%			21.0%
Q-o-Q Growth			4.8%			4.1%
Net Revenue	3,501	3,309	3,647	11,229	12,866	13,081
Y-o-Y Growth			4.2%			16.5%
Q-o-Q Growth			10.2%			1.7%
EBITDA¹	1,598	1,289	1,941	3,293	2,588	3,573
EBITDA %	9.3%	6.1%	8.8%	22.9%	15.5%	20.5%

¹ Management estimates based on internal MIS and cost allocation assumptions

Average Rs/\$ Exchange rate: Q3 FY12 at 50.84; Q2 FY13 at 55.21; Q3 FY13 at 54.12

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Core Business by Business Unit – 9M FY 2013

INR Mn

	Global Voice Services (GVS)		Global Data Services (GDS)	
	9M FY 2012	9M FY 2013	9M FY 2012	9M FY 2013
Gross Revenues	49,154	63,765	40,335	50,071
Y-o-Y Growth		29.7%		24.1%
Net Revenue	8,848	10,659	32,259	38,494
Y-o-Y Growth		20.5%		19.3%
EBITDA¹	3,757	5,180	9,673	8,946
EBITDA %	7.6%	8.1%	24.0%	17.9%

¹ Management estimates based on internal MIS and cost allocation assumptions

Average Rs/\$ Exchange rate: 9M FY12 at 47.10; 9M FY13 at 54.44

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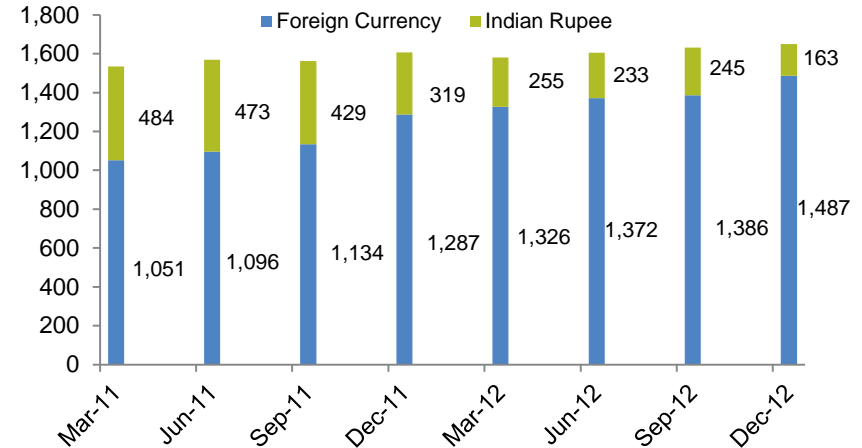
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Debt Profile – Core Business

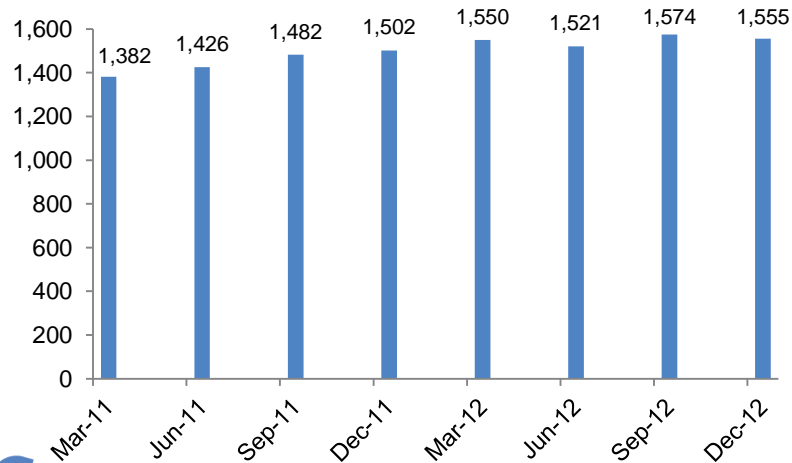
Key Highlights

- Core business is operating at peak debt levels
- Improved profitability trajectory along with reduced capex intensity has eliminated external funding need for normal course of core business
- Consistent reduction in average cost of borrowing has driven lower interest expense
- Lower interest expense and capex intensity with improved operating performance have set stage for core business deleveraging

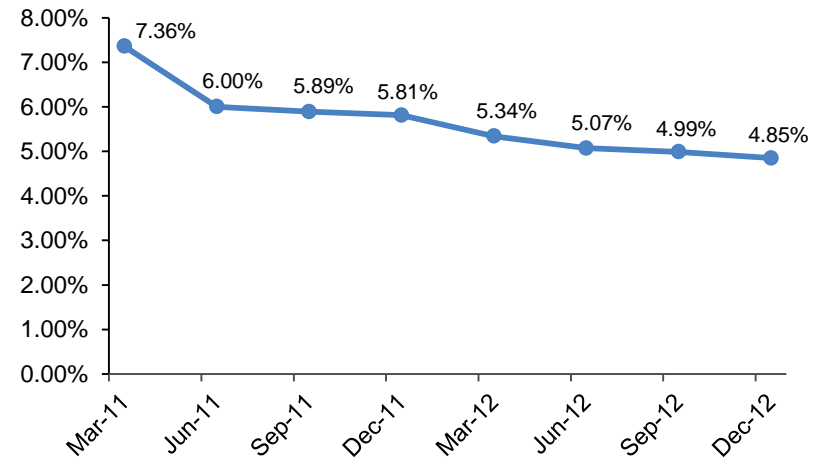
Gross Debt by Currency (US\$ mn)



Net Debt



Average Cost of Loans



Data points in graphs pertains to respective quarter ending (i.e March-11, June-11 etc.). Please refer to our investor fact sheet for period ended closing exchange rates.

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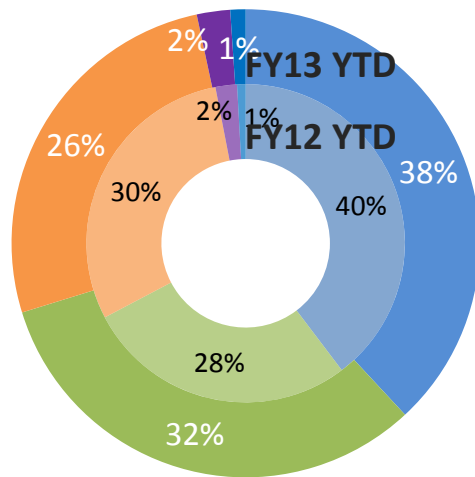


Appendix 1 – Additional Slides

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GDMS | YoY Gross Revenue Product Mix

Network Services



Network Service Portfolio

Traditional Network Services: IPL, NPL, IRUs

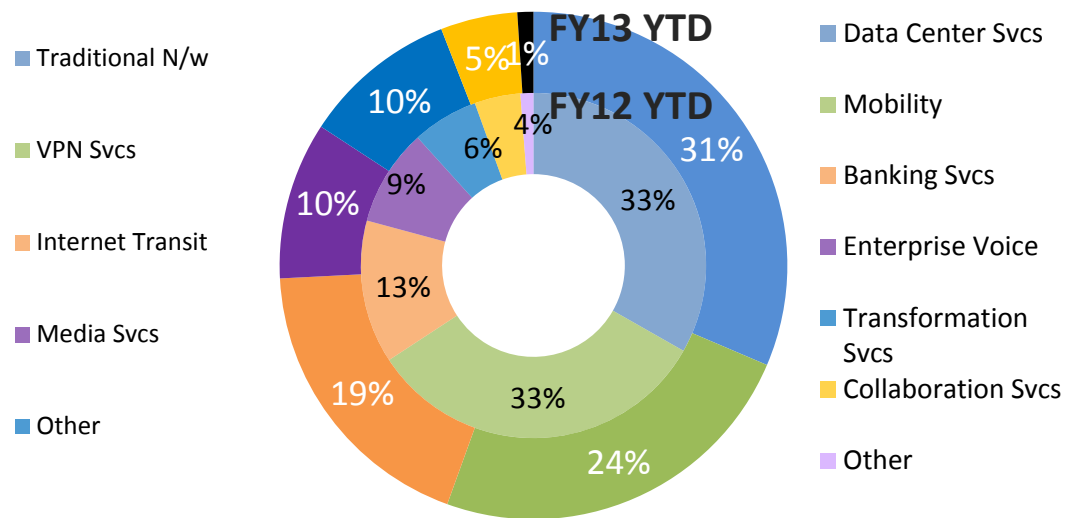
VPN Services : DGE and VPN

Media Services: Vconnect, Broadcast, CDN, Mosaic

Internet Transit – IP-T, ILL

Other: Inmarsat, GNS others

Managed Services



Managed Services Portfolio:

Data Center Services: Colo, Hosting, Cloud (MSO)

Collaboration Services: Telepresence,

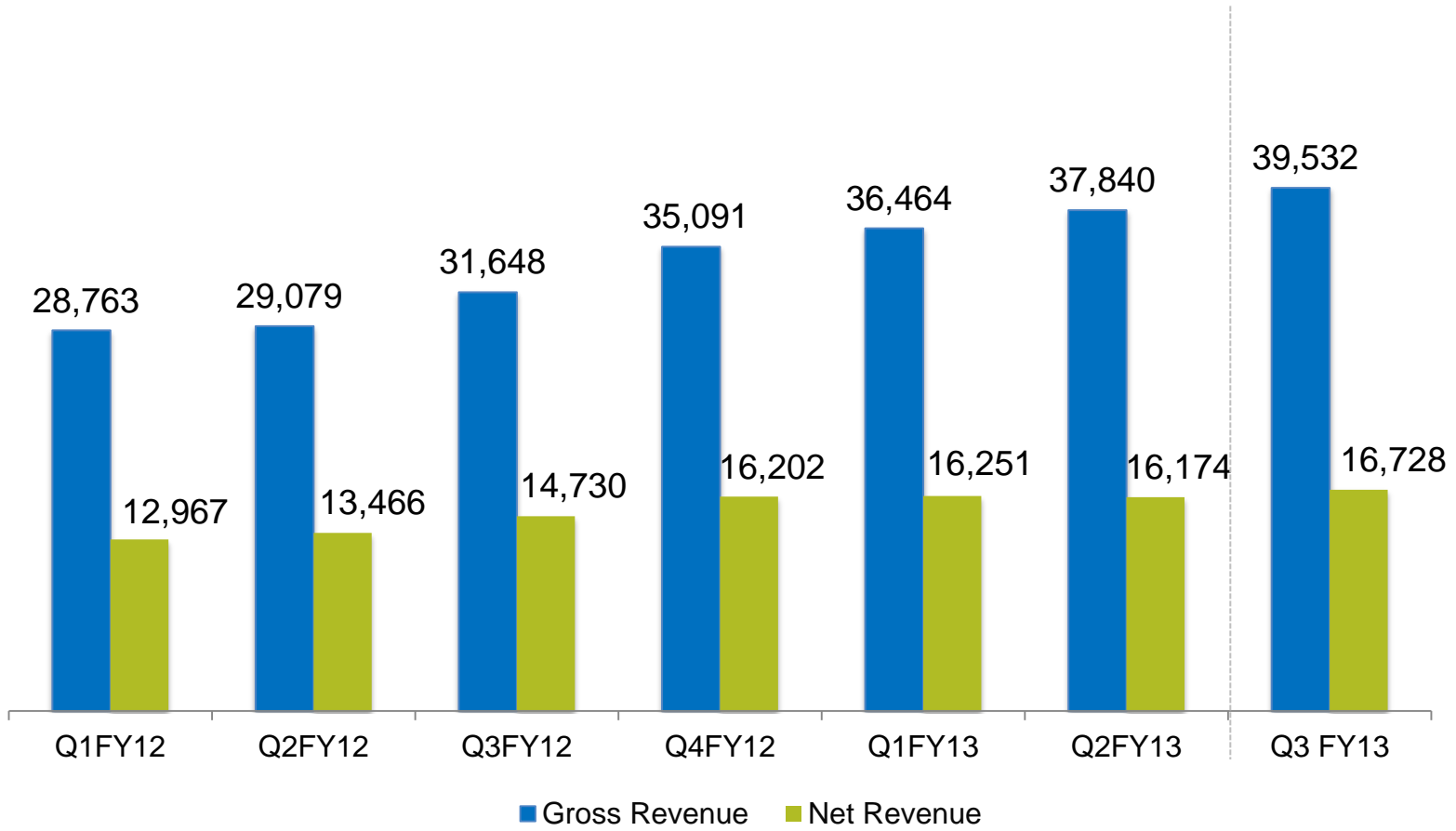
Transformation Services: TCTS

Banking Services: TCPSL

Other: MSS

Core Business Gross and Net Revenues

INR Mn



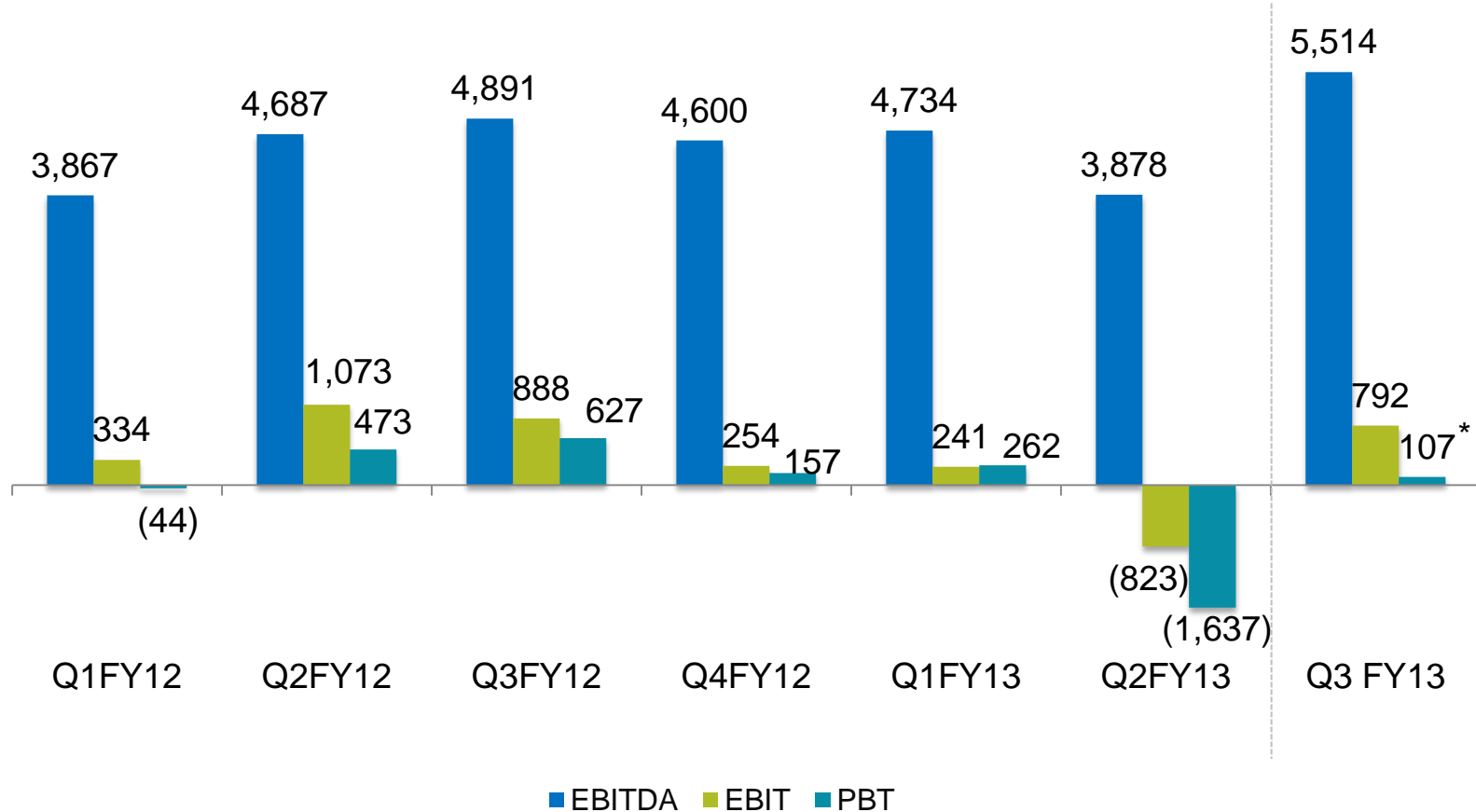
Average Rs/\$ Exchange rate: Q1 FY12 at 44.73; Q2 FY12 at 45.74 Q3 FY12 at 50.84; Q4 FY12 at 50.34; Q1 FY13 at 53.98; Q2 FY13 at 55.21; Q3 FY13 at 54.12

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Core Business EBITDA, EBIT and PBT

INR Mn

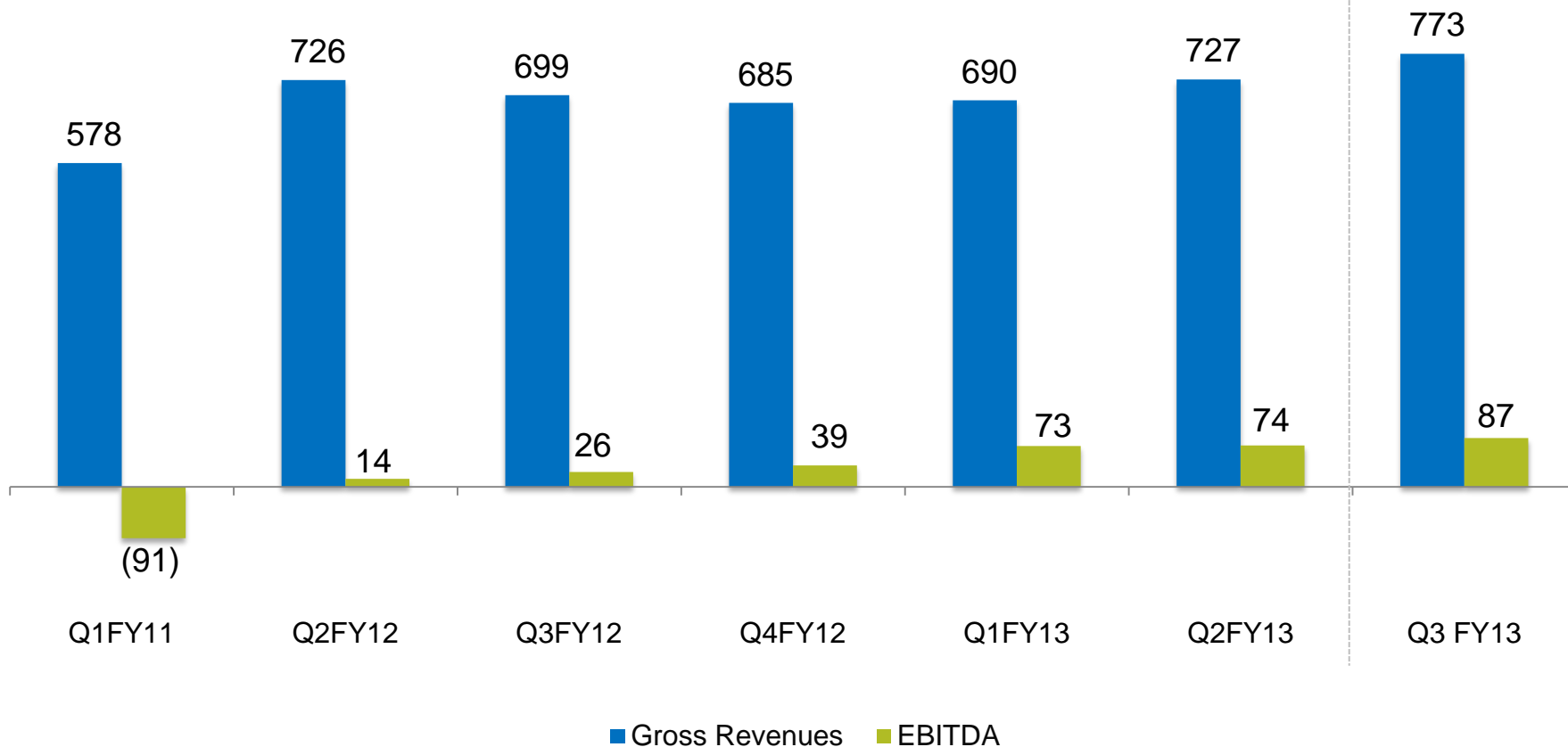


* Profit Before Tax and Exceptional Items

Average Rs/\$ Exchange rate: Q1 FY12 at 44.73; Q2 FY12 at 45.74 Q3 FY12 at 50.84; Q4 FY12 at 50.34; Q1 FY13 at 53.98; Q2 FY13 at 55.21; Q3 FY13 at 54.12

Quarterly trends : Neotel

ZAR Mn



Neotel EBITDA positive from Q2 FY12 onwards

Average ZAR/\$ Exchange rate: Q1 FY12 at 6.79, Q2 FY12 at 7.12; Q3 FY12 at 8.10; Q4 FY12 at 7.77; Q1 FY13 at 8.12; Q2 FY13 at 8.26; Q3 FY13 at 8.69

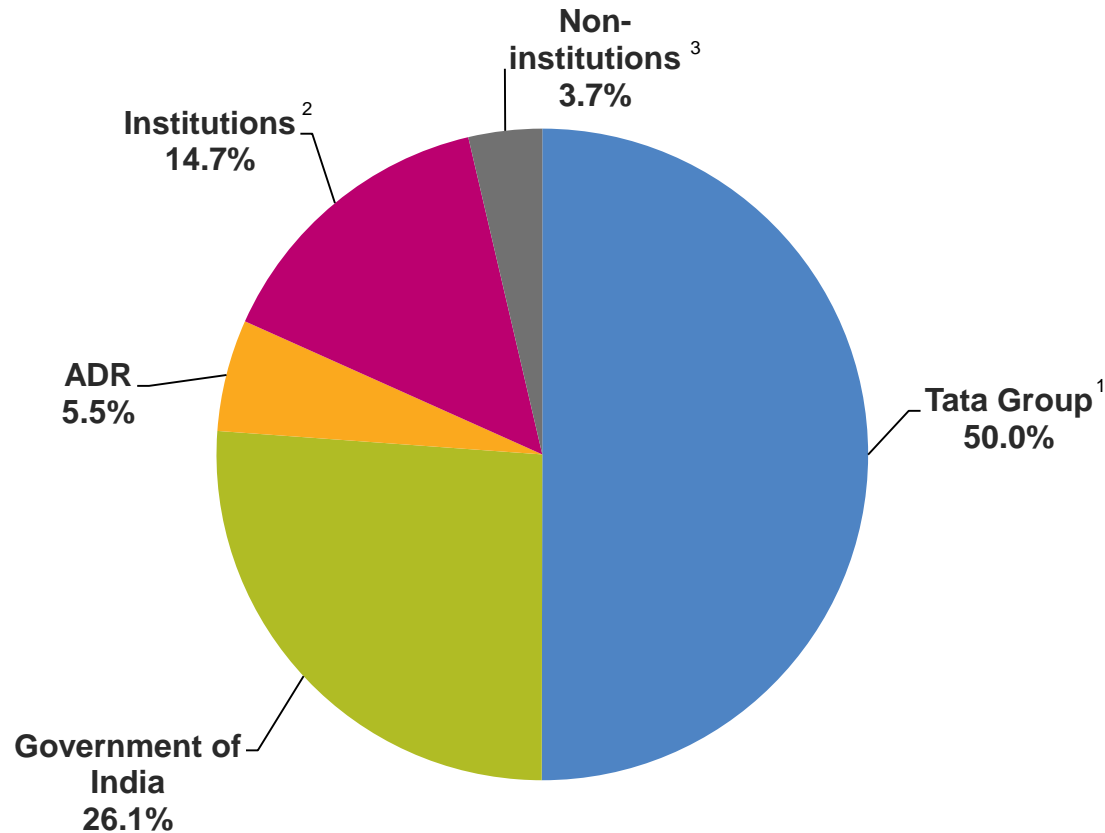
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Shareholding pattern

As on December 31, 2012



1. Tata group includes Panatone Finvest Ltd (31.10%), Tata Sons (14.22%), and Tata Power Ltd. (4.71%)
2. Institutions include Mutual funds (1.16%), Financial institutions (5.91%), Insurance companies (4.81%) and Foreign Institutional Investors (2.77%)
3. Non-institutions include individuals (2.82%), Bodies corporate (0.71%) and others (0.12%)

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Appendix 2 – Introduction and Overview of Tata Communications

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Company Overview

- Tata Communications Limited ('TCL') is a leading provider of wholesale long distance Global Voice Solutions & Global Enterprise Data Solutions
- Majority owned by the Tata Group, which is one of India's largest and most reputed multinational conglomerates
- Business consists of 3 segments: Global Voice Solutions ('GVS'), Global Data Solutions ('GDS') and Start-ups (primarily South Africa Operations – Neotel)
- Leader in enterprise data services & wholesale long distance voice services in India; and international voice services & wholesale connectivity globally
- 6,802 employees in the core business (GVS and GDS) and 955 in the South African operations as of Sep'12

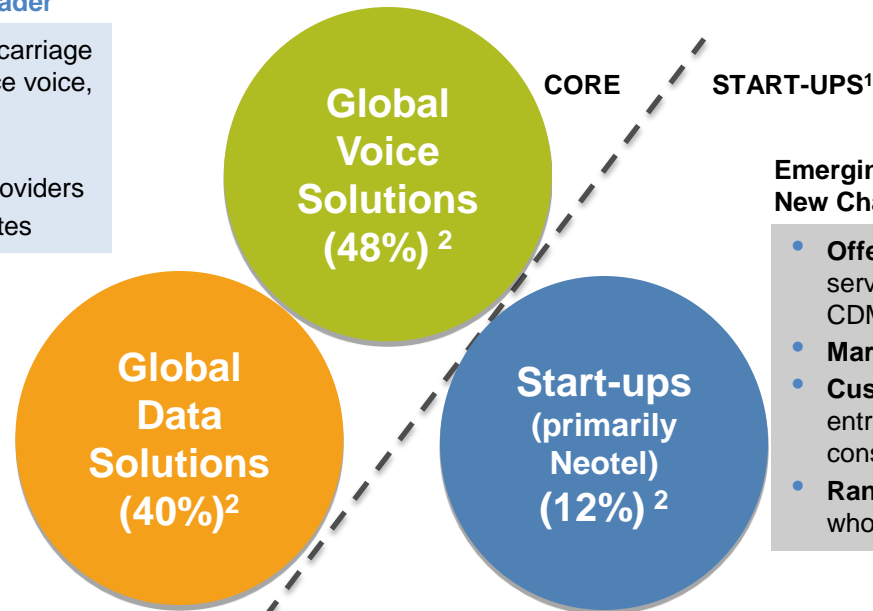
Business Model

Mature; Stable Scale Business – Market Leader

- **Offerings:** Wholesale international voice carriage and termination, India national long distance voice, outsourcing/white label
- **Market:** Global
- **Customers:** Global carriers and service providers
- **Ranking:** #1 in international voice by minutes

Mature; Growth Solutions & Brand – India Leader and Global Challenger

- **Offerings:** Connectivity (focusing on leased circuit networking and IP transit services), data centers, managed services, outsourcing
- **Market:** Global
- **Customers:** Global carriers and enterprises, mid-market and SMB segment in India
- **Ranking:** #1 in India in enterprise data services by revenue



Emerging Market Investment – New Challenger

- **Offerings:** All telecom services except mobile, first CDMA network in South Africa
- **Market:** South Africa
- **Customers:** Carriers, enterprises, SMB and consumers
- **Ranking:** #2 in enterprise and wholesale data in South Africa

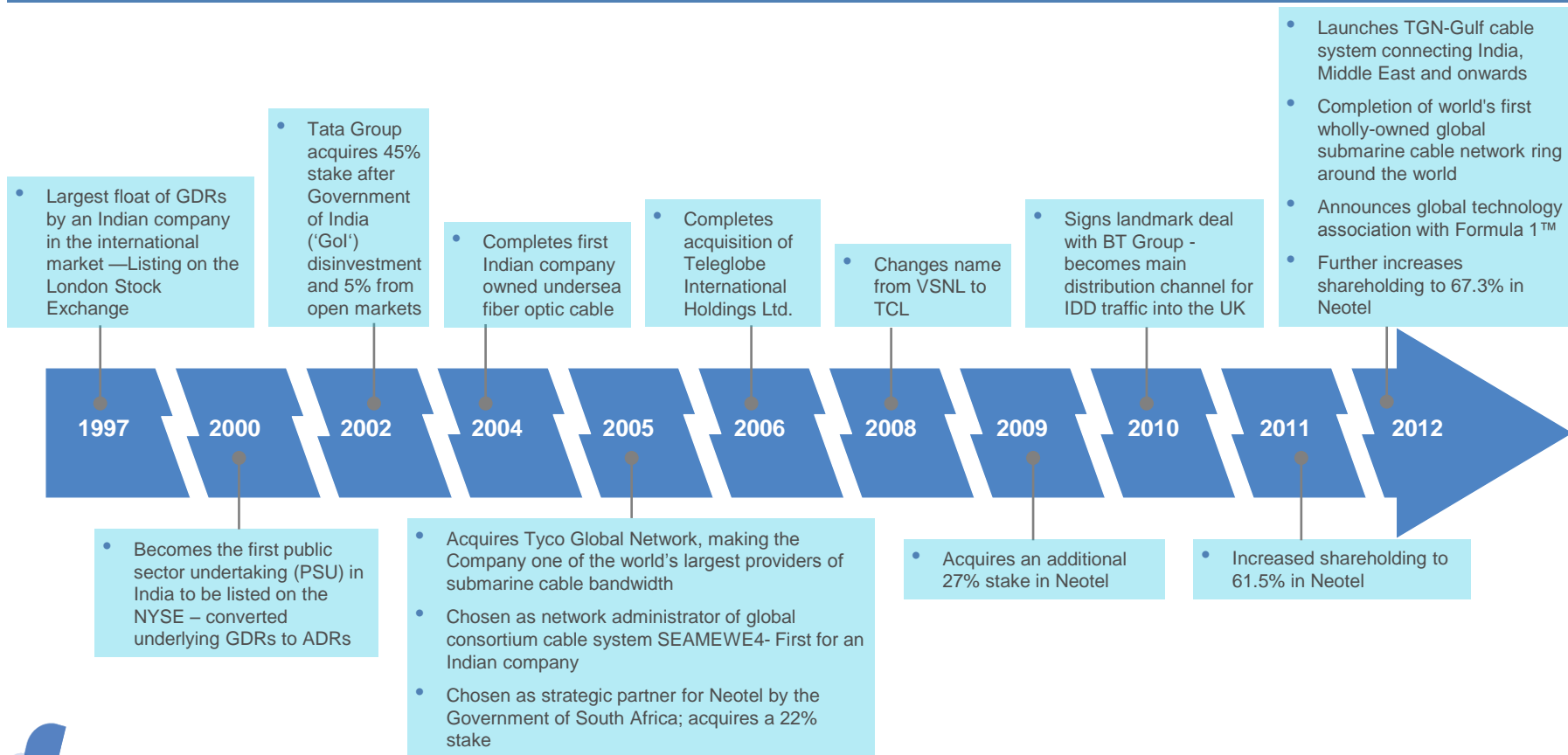
¹ Start-ups also includes United Telecom Limited (UTL) Nepal (26.66% shareholding) besides Neotel (67.32% shareholding)

² (%) of total gross revenues for year ending Mar'12

Growth Path

- Formerly known as Videsh Sanchar Nigam Limited ('VSNL'), TCL has since restructured itself from a pure long distance service provider in India into one of the leading integrated communication solutions providers in the world post acquisition of majority stake by the Tata Group in 2002
- TCL has achieved this transformation through a series of organic and inorganic growth strategies, while maintaining its focus on ILD voice services

Timeline



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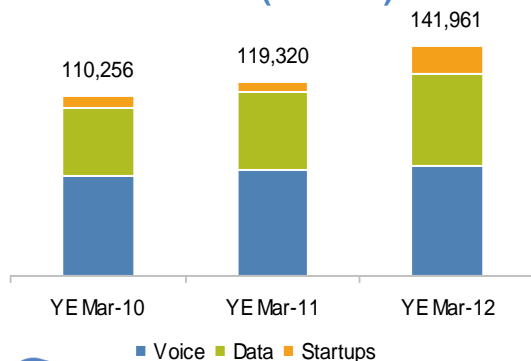
Factsheet

Key Highlights

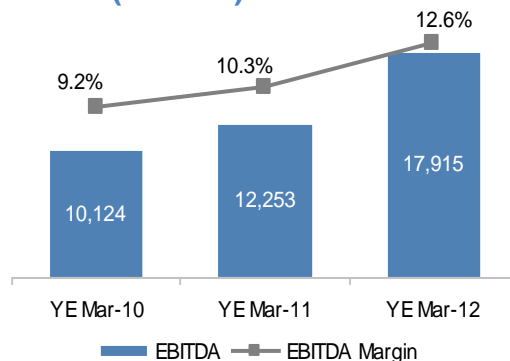
Industry leadership	<ul style="list-style-type: none"> #1 international voice carrier by minutes #1 submarine cable owner by length #1 in enterprise data in India by revenue #2 network operator in South Africa 	Customers	<ul style="list-style-type: none"> 3,000 large corporates including 260 Forbes 2,000 MNCs 1,600 carriers and 700 mobile operators
Global Infrastructure	<ul style="list-style-type: none"> Over 200,000 kms of owned fiber 400 Points of Presence Over 15 terabits of international bandwidth lit capacity 42 data centres with more than 10,000 racks and 1 mn square feet of space 	Key Performance Indicators	<ul style="list-style-type: none"> 1 out of 6 wholesale voice calls globally are carried on Tata Communications' network World's largest and only round-the-world sub-sea cable network. Tata Communications' network carries nearly 10% of global internet traffic Only global tier 1 ISP with a top five position in all continents – leading international internet backbone

Summary Financials

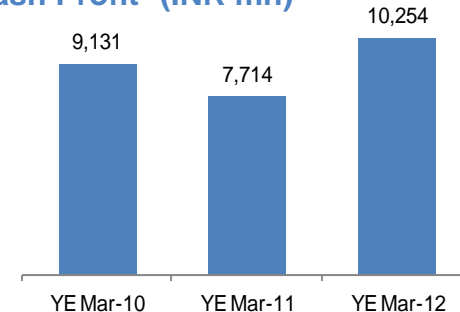
Gross Revenues (INR mn)



EBITDA (INR mn)



Cash Profit¹ (INR mn)



¹Cash Profit computed as (Net Profit/Loss + Depreciation and Amortisation)

Note: Gross Revenue, EBITDA, Cash Profit are consolidated

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Our Vision and Strategy



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Tata Communications in numbers

50 Billion Minutes
of International
Voice Traffic

20% Of internet routes
are directly connected
to our network

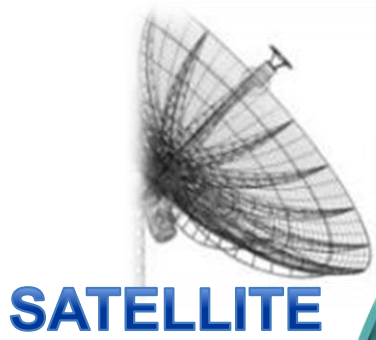
73 Million Voice Transactions
handled every day

42 Data Centers
with more than 10,000
racks and one million
square feet

4,200 Petabits
every month on
our Internet
backbone

15 Terabits
of International Bandwidth
Lit Capacity

Our touch points



SATELLITE



Media



**Tata
Communications**



Mobility



ATMs



Video

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Global management team



Vinod Kumar
MD and Group CEO
(Singapore and India)



Sanjay Baweja
CFO
(India)



Michel Guyot
President – GVS
(Canada)



Allan Chan
President, Global Carrier
Solution
(USA)



Sumeet Walia
SVP and Head Global
Enterprise Solutions
(India)



Sunil Joshi
MD & CEO of Neotel
(South Africa)



John Hayduk
President, Product Mgmt.
and Service Development (USA)



Rangu Salgame
CEO – Growth Ventures
(India)



Srinivasa Addepalli
Chief Strategy Officer
(India)



Madhusudhan MR
Chief Network Officer
(India)



Aadesh Goyal
Global Head, Human Resources
(India)



John Freeman
General Counsel
(Singapore)



Sunil Rawal
Global Head Business
Excellence, CQO
(India)



Julie Woods-Moss
Chief Marketing Officer
(UK)



Genius Wong
SVP Global Network
Services
(Hong Kong)

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(Country) represents where each executive is located.

Summary: Key Investment Highlights

- 1 Large global addressable opportunity with favorable market trends (outsourcing, data surge, managed services, transition to cloud)
- 2 Best-in-class Global Infrastructure
- 3 Leadership across various Service Offerings
- 4 Comprehensive Portfolio of Communication Services
- 5 Improving Financial Performance and Operating Metrics
- 6 Global Management Team with Superior Execution Experience
- 7 Strong Parentage of the Tata Group



Thank you

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