

# The New World of Communications

## Q1 FY12 Earnings Update

August 10, 2011

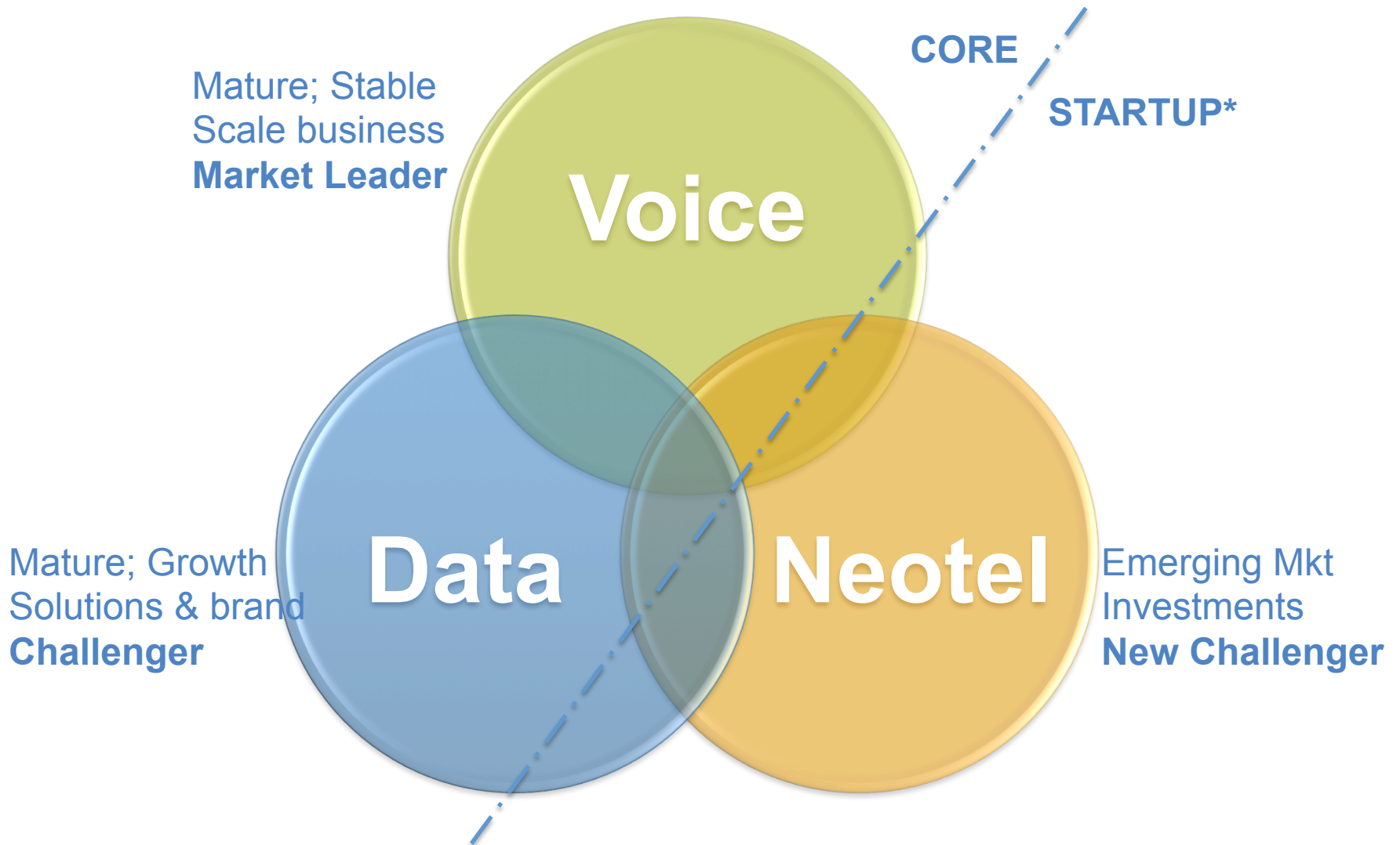


# SAFE HARBOR STATEMENT

Some of the statements herein constitute “forward-looking statements” that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution. Tata Communications does not undertake any obligation to update or revise forward looking statements, whether as a result of new information, future events or otherwise.

TATA COMMUNICATIONS SERVES  
BUSINESSES GLOBALLY WITH  
**NETWORK, MANAGED  
AND CLOUD SERVICES**

# Business Portfolio



\* Startup includes consolidation of UTL into Tata Communications, in addition to Neotel

# Q1 FY12 IGAAP Results, Unaudited

TATA COMMUNICATIONS LIMITED

A. UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2011

Rs. Lakhs.

	Particulars	Stand alone			Consol		
		For the quarter ended June 30,		For Year ended March 31,	For the quarter ended June 30,		For Year ended March 31,
		2011 (unaudited)	2010 (unaudited)	2011 (audited)	2011 (unaudited)	2010 (unaudited)	2011 (audited)
1	Revenues from Telecommunication and other Services	89,890	84,401	340,900	325,706	288,450	1,193,199
2	Expenditure						
	a. Network Costs	38,971	37,113	152,518	188,020	175,558	712,795
	b. Operating and Other Expenses	14,041	13,774	57,622	55,419	47,027	195,113
	c. Salaries and Related Costs	13,723	11,619	46,475	49,625	39,889	162,731
	d. Depreciation and Amortisation	15,227	14,332	59,689	42,042	38,286	154,830
	e. Total Expenditure (2a to 2d)	81,962	76,838	316,304	335,106	300,760	1,225,469
3	Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (1 - 2)	7,928	7,563	24,596	(9,400)	(12,310)	(32,270)
4	Other Income (net)	3,876	2,719	16,219	3,727	1,594	20,109
5	Profit / (Loss) before Interest and Exceptional Items (3 + 4)	11,804	10,282	40,815	(5,673)	(10,716)	(12,161)
6	Interest (net)	4,595	4,346	18,287	20,121	13,328	51,764
7	Profit / (Loss) after Interest but before Exceptional Items (5 - 6)	7,209	5,936	22,528	(25,794)	(24,044)	(63,925)
8	Exceptional Items:						
	Expense / (Income)						
	a. Severance Cost	-	-	-	-	-	4,601
	b. Fixed asset written off	-	-	-	-	-	2,515
	c. Interest on Income Tax Refund	-	-	(404)	-	-	(404)
9	Profit / (Loss) from Ordinary Activities before Tax (7 - 8)	7,209	5,936	22,932	(25,794)	(24,044)	(70,637)
10	Tax Expense	2,430	1,973	6,916	2,358	2,451	6,884
11	Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)	4,779	3,963	16,016	(28,152)	(26,495)	(77,521)
12	Extraordinary Items (net of Tax Expense)	-	-	-	-	-	-
13	Net Profit / (Loss) from Ordinary Activities after Tax and Extraordinary Items (11 - 12)	4,779	3,963	16,016	(28,152)	(26,495)	(77,521)
14	Minority Interest	-	-	-	6,870	2,504	10,562
15	Share in Loss of Associates	-	-	-	(541)	(4,148)	(18,460)
16	Net Profit / (Loss) for the period (13 + 14 + 15)	4,779	3,963	16,016	(21,823)	(28,139)	(85,419)

# P&L: Core and Consolidated

USD Mn

	CORE		STARTUP		CONSOLIDATED	
	1Q'11	1Q'12	1Q'11	1Q'12	1Q'11	1Q'12
<b>Gross Revenues</b>	604	643	28	85	632	728
<b>EBITDA</b>	66	86	(9)	(13)	57	73
<b>PBIT</b>	(11)	7	(16)	(28)	(27)	(21)
<b>PBT</b>	(27)	(1)	(26)	(57)	(53)	(58)
<b>PAT</b> after Minority Interest	(33)	(6)	(29)	(42)	(62)	(49)

1Q'12 has Neotel consolidated @ 100% (effective stake:61.5%) Vs 43.16% (effective stake: 49%) in 1Q'11  
 Rs/\$ Exchange rate: 1Q'11 at 45.64; 1Q'12 at 44.73; Rand/\$: 1Q'11 at 7.54; 1Q'12 at 6.73

# Core Business Performance

USD Mn

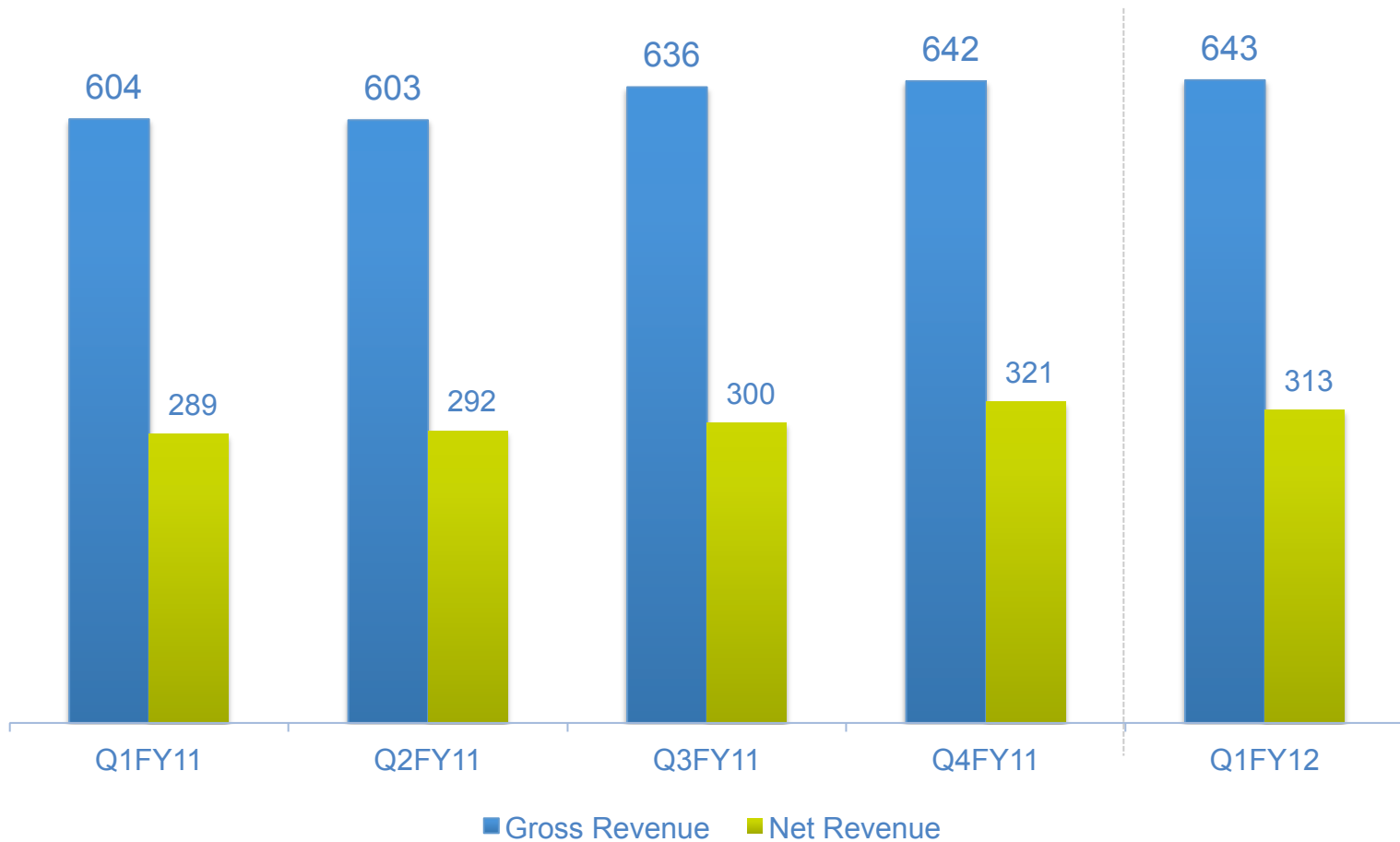
	1Q'11	4Q'11	1Q'12	YoY	QoQ
<b>Gross Rev</b>	604	642	<b>643</b>	<b>6%</b>	<b>Flat</b>
<b>Net Rev</b>	289	321	<b>313</b>		
<b>EBITDA</b>	66	88	<b>86</b>	<b>31%</b>	<b>- 2%</b>
<b>PBIT</b>	(11)	9	<b>7</b>		
<b>PBT</b>	(27)	(4)	<b>(1)</b>		
<b>PAT</b>	(33)	(7)	<b>(6)</b>		

Rs/\$ Exchange rate: 1Q'11 at 45.64; 4Q'11 at 45.29; 1Q'12 at 44.73

# Core Business: Gross and Net Revenues

Core revenues improving quarterly

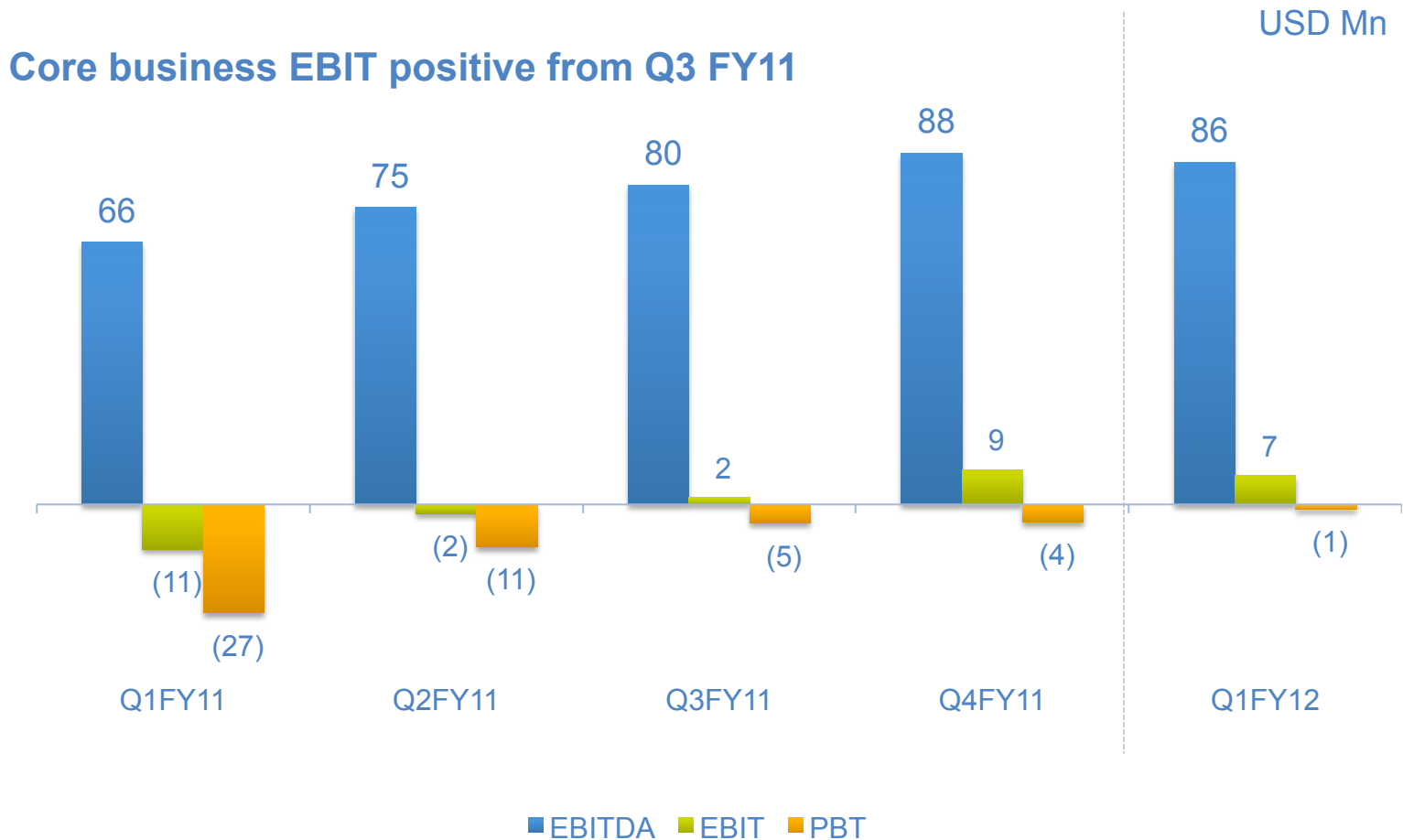
USD Mn



Rs/\$ Exchange rate: 1Q'11 at 45.64; 2Q'11 at 46.69; 3Q'11 at 44.87; 4Q'11 at 45.29; 1Q'12 at 44.73



# Core Business Profitability



Rs/\$ Exchange rate: 1Q'11 at 45.64; 2Q'11 at 46.69; 3Q'11 at 44.87; 4Q'11 at 45.29; 1Q'12 at 44.73

# Core Business by Business Unit

USD Mn

	Global Voice			Global Data		
	1Q'11	4Q'11	1Q'12	1Q'11	4Q'11	1Q'12
<b>Gross Rev</b>	350	374	<b>360</b>	254	268	<b>283</b>
<b>Net Rev</b>	53	69	<b>59</b>	233	247	<b>248</b>

## Management Estimates of EBITDA margin (1Q'12):

Global Voice                      6%      (36% on Net Revenues)

Global Data                        22%

# Core Balance Sheet

USD Mn

		As on March 31, 2011	As on June 30, 2011	Qtr Change
Gross Debt		1550	1569	19
Net Debt		1382	1426	44

(Consolidated excluding Neotel)

# The New World of Communications

Neotel Update

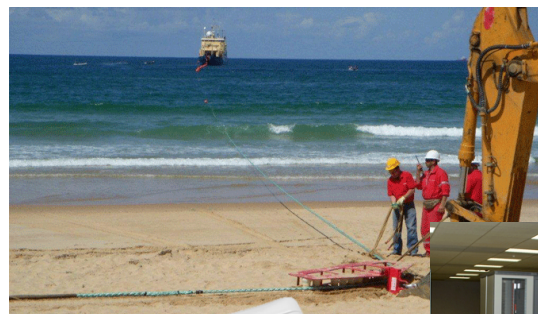


## Neotel: Inspiring Possibilities in South Africa

From 0 to 5% market share in 4 years

SA Fixed-line market: ~ \$ 6Bn

Serving ~1500 enterprise & wholesale customers + 60,000 retail customers

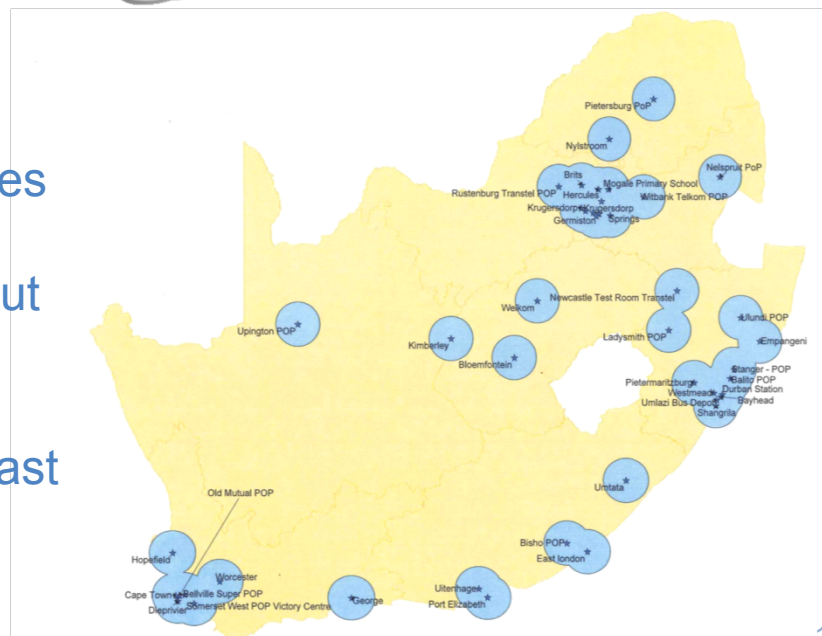


### Connecting South Africa

Only SA telco with capacity on 4 sub- cables

~6000km metro fiber rolled out; NLD roll-out underway

~400 wireless (CDMA & WiMax) sites for last mile access



# Neotel: Inspiring Possibilities in South Africa

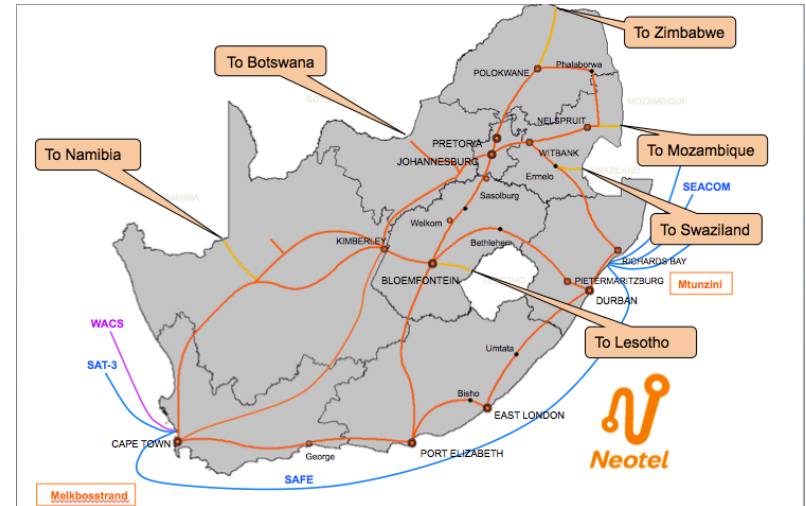
## Moving beyond South Africa: SADC

Expanding connectivity to neighbouring countries

Investing in local skill building and capability creation

Employing nearly 1000 local staff

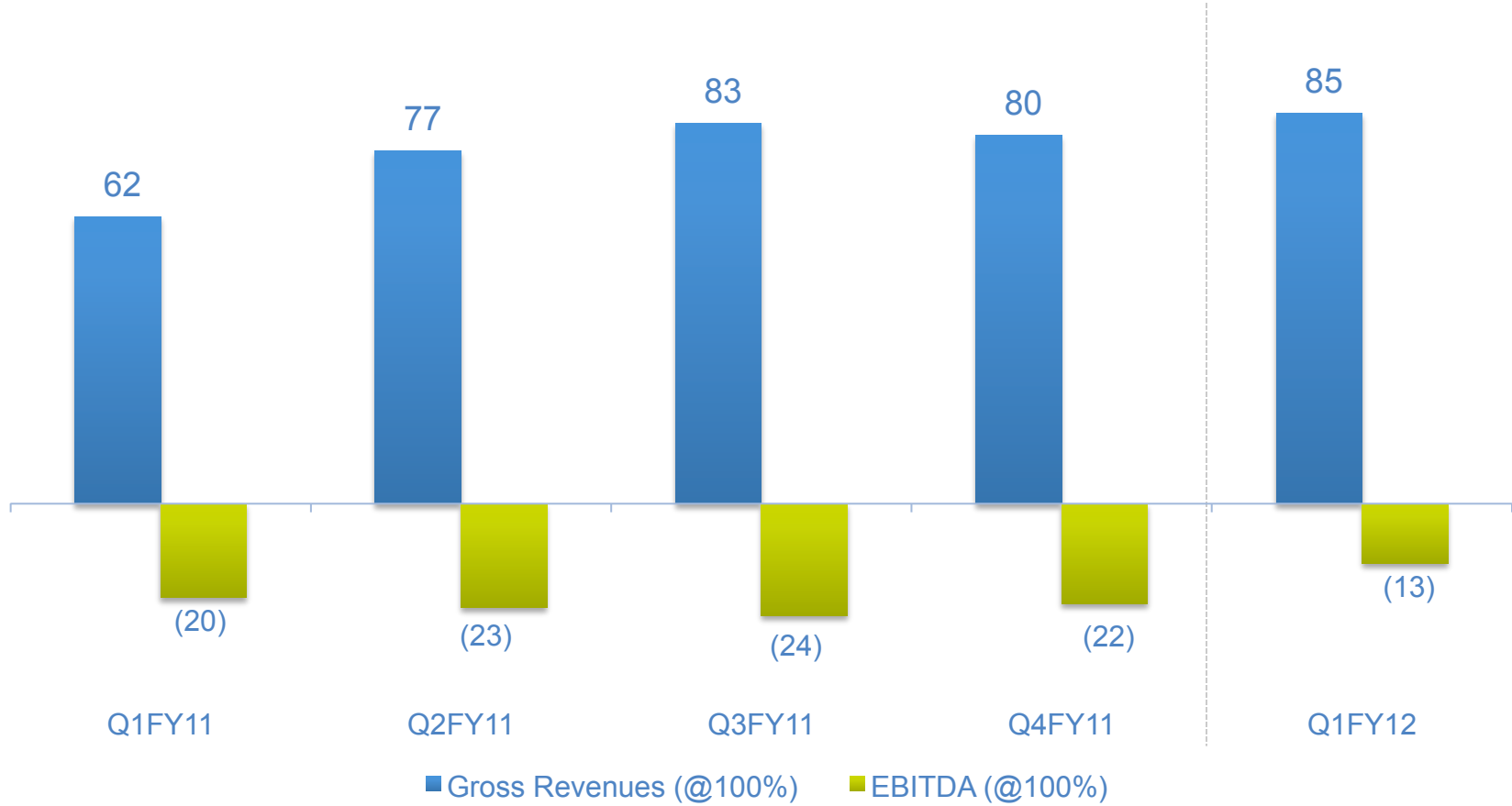
Neotel Telecommunications Academy imparts training & certification courses



# Quarterly Revenue & EBITDA: Neotel

USD Mn

**Neotel Gross Revenue and EBITDA**



**Significant improvement in Neotel EBITDA in Q1 FY12. Overall EBITDA loss lower by 1/3<sup>rd</sup>.**

Note: Neotel numbers after Inter-co elimination; Stand-alone would be different  
 ZAR/\$ Exchange rate: 1Q'11 at 7.54; 2Q'11 at 7.34; 3Q'11 at 6.91; 4Q'11 at 7.00; 1Q'12 at 6.79

# The New World of Communications

**In the Spotlight**

**Banking  
Infra-Solutions**





# Tata Communications Banking Infra-Solutions Limited

Integrated, **managed service** for payments & transactions of Banks across multiple channels (ATM, PoS, Internet, Mobile)

**Bank-in-a-Box** solution to medium/small pvt sector & co-operative banks

Managed ATMs

Managed PoS

Hosted Core  
Banking

Value-added  
Services

## TCBIL in Numbers

4550

Managed ATMs

7600

Managed PoS

15mn

Card Transactions / Mth

114

Managed Branches

# Gaining Momentum

**100% subsidiary of Tata Communications Ltd.**

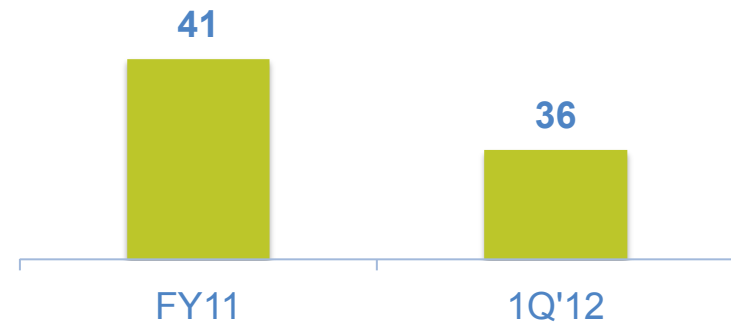
**Commenced operations in April 2009**

**4 of Top 5 Pvt Banks**

**All Top 3 PSU Banks**

**16 Banks**

**TCBIL Revenues (Rs cr)**



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Questions

