

Strategy and Earnings Update - FY15 and Q1 FY16

29th July, 2015

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Agenda



Presenters / Speakers	Title
Mahesh Pratap Singh	Welcome, Introductions, Safe Harbor Disclosure and Today's agenda
Vinod Kumar	Business Highlights
Sandeep Bhatnagar	Tata Communications Transformation Services (TCTS) – Overview and Strategy
Pratibha K. Advani	Financial Performance – FY15 and Q1 FY16
Vinod Kumar	Strategy Update and Business Outlook
All	Q&A



- **Business Highlights**
- Strategy Update and Business Outlook

Presented By:

Vinod Kumar, MD & Group CEO

Context to FY15 performance and beyond

FY15, a year of strong data performance offset by weakness in voice segment

- Data**

- FY15 gross revenues up 10% to Rs 89,914 mn
- EBITDA up 16% Y-o-Y. EBITDA margin expanded by 100 bps while accelerating investments in new service and front-end (sales, marketing and brand)
- EBIT positive and continues to generate positive FCF (EBITDA less capex)

- Voice**

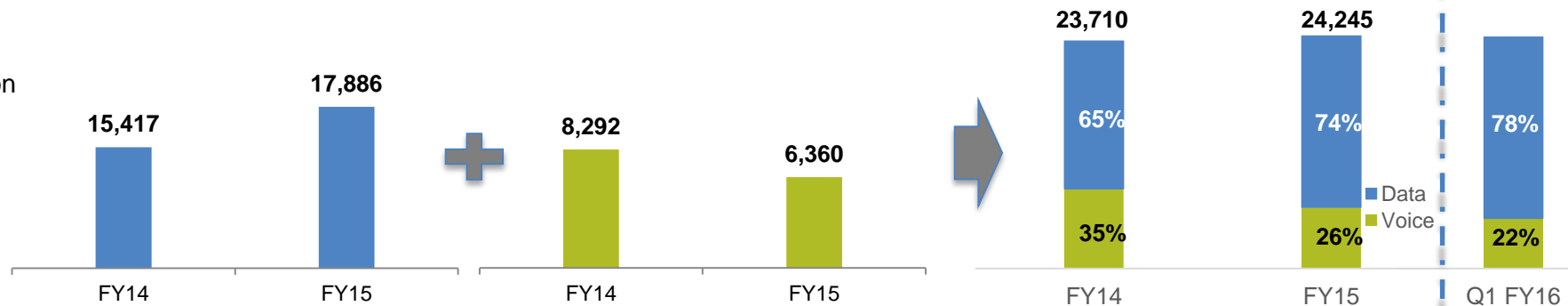
- FY15 net revenues declined 16% to Rs 12,445 mn
- EBITDA decline 23% Y-o-Y. EBITDA margins contracted by 170 bps
- FY15 voice FCF is \$98 million

Data EBITDA ▲ 16% Y-o-Y

Voice EBITDA ▼ 23% Y-o-Y

Core EBITDA ▲ 2.3% Y-o-Y

Rs million



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Successes and Challenges

Successes

- **“Leader” in Gartner Magic Quadrant¹ for Network Services, Global for second year in the row**
- **Very strong momentum in Enterprise and Next-Gen segment with marquee logo added**
- **Successful launch of several new innovative services - IZO, Jamvee 4.0, Global Hosted Contact Center (GHCC), Cloud Orchestration**
- **Partnership program gaining traction**
- **Major wins in TCDC (India colocation business) with cloud providers and e-commerce players**
- **TCPSL exits FY15 with EBITDA break-even per plan**
- **TCTS achieving critical mass**

Challenges

- **Voice Segment**
 - Overall market growth continues to decelerate
 - Heightened competitive intensity and irrational pricing in India termination
- **Data Segment**
 - Sluggishness in Service Provider / wholesale segment
 - Expediting “funnel to order closure” for new services

¹ Source: Gartner, Inc “Magic Quadrant for Network Services, Global” Neil Rickard, Bjarne Munch, 14 January 2015.

Positioned in the Leaders' Quadrant in Gartner Magic Quadrant for Network Services, Global



Source: Gartner, Inc "Magic Quadrant for Network Services, Global" Neil Rickard, Bjarne Munch, 14 January 2015.

This Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from Tata Communications. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

The Enterprise led momentum is transforming our business



~25%

3 year CAGR in New Business (Sales)

~25%

3 year CAGR in International Revenues

600+

Avg. no of enterprise customers added every year

55+

Multi-million \$ deals signed in FY15

28%

Y-o-Y Growth in Funnel

60%

Y-o-Y Growth in Number of multi-million dollar deals in the funnel

35%

Y-o-Y change in no. of long term (>2 yr) contracts in the funnel

26%

Y-o-Y change in value. of long term (>2 yr) contracts in the funnel

Client: France based leader in electrical installations and equipment



The need



- **Transformation** from local to centralised IT control and governance model
- **Consolidate global** service provider
- Move from **unmanaged to managed network**
- **Align TCO**
- **Reduce IT budget spend**

The solution



- **IZO** with 300+ global sites
- **Increased availability** and **optimised** bandwidth utilisation

300+
managed sites
globally

Why Tata Communications



- The **only provider** able to control the interconnections with local ISPs
- **End-to-end SLA**
- **Trust in Tata Communications'** global IP backbone

\$18M
TCV (3
Years)



Other Sample Marquee Wins (1/3)

Client:

One of the largest global banks
Head Quartered in UK

- Large & complex deal
- Solution focus
- Originated in Europe
- Multi-product – connectivity, security & DC



\$9 M	\$27 M	Global WAN	Europe, India,
ACV	TCV	+ Colocation	APAC

Displaced European Incumbent suppliers

Other Sample Marquee Wins (2/3)

Client:

One of the world's largest auto giants

- Large & complex deal with delivery spread across the globe
- Proves our competitiveness in connectivity services across the globe
- Originated in Americas



\$8.5 M	\$25 M	Global	Americas,
ACV	TCV	WAN	Europe & APAC

Displaced US (European) supplier

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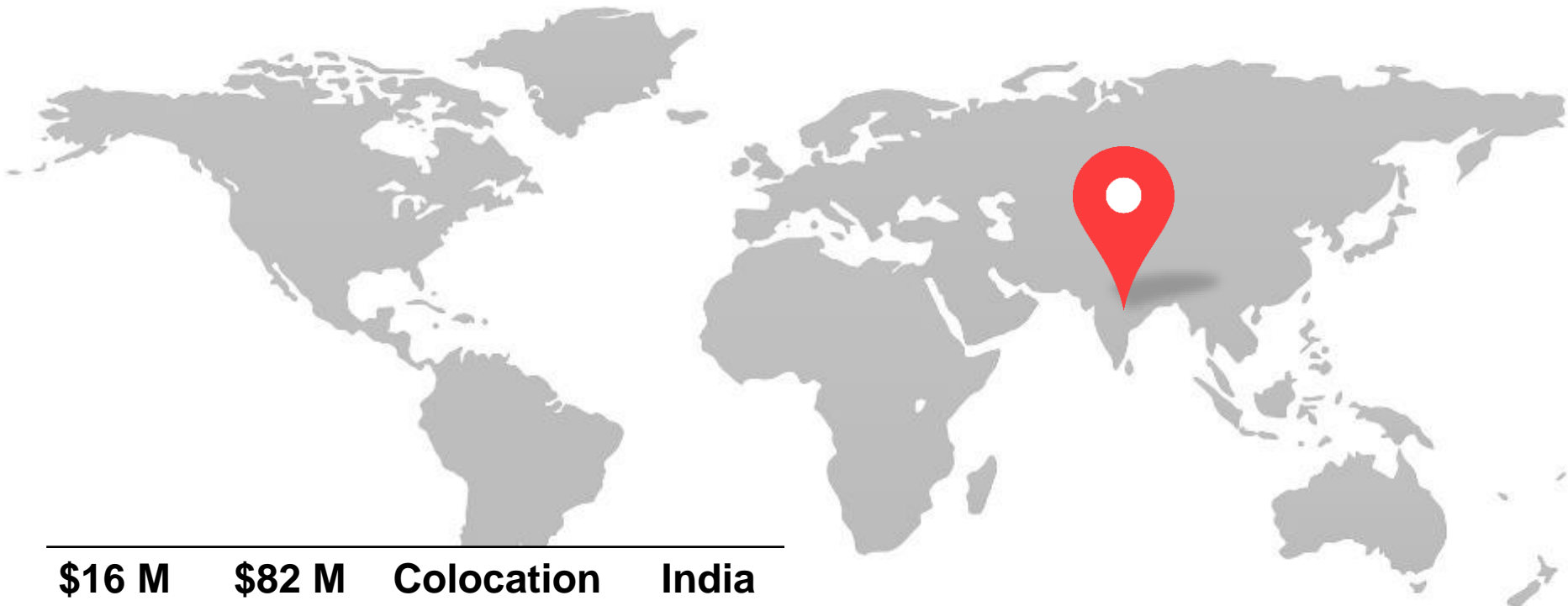


Other Sample Marquee Wins (3/3)

Client:

A large e-commerce player

Leadership in Co-location market in India



\$16 M	\$82 M	Colocation	India
ACV	TCV		

Data growth is driven by VPN and managed services



Data revenue growth construct	FY15 Y-o-Y Revenue growth %
Transformation Services (TCTSL)	30%
Unified Communications and Collaboration (UCC)	14%
Data center services	11%
Media services	10%
Banking Services (TCPSL)	9%
Mobility (Signalling services)	-5%
Others (MSS, SaaS etc.)	45%
Total Managed Services	11%
VPN Services	21%
Traditional network services and Internet transit and others	1%
Total network Services	8%
Total Data Services (On reported headline basis)	10%
Total Data excl. traditional network services, internet transit, mobility and TCPSL	17%

Better reflection of data business's transformation, strategic direction and growth trajectory

Data growth excluding mature offerings (traditional network and mobility) and TCPSL (primary focus being on profitability) is much higher than what is reflected in headline growth numbers

Implication of complex solution led growth on our financial performance



FY15 and near term

Pipeline composition is transforming

- From standard offerings to customized complex solutions

This momentarily extends revenue translation cycle for new business due to

- Bespoke solutioning and phased roll-outs
- Complex global deployments with multiple partners involved
- Infrastructure build-out related lead times (example Data centers)

A transitional rebalancing phase where capex and opex are temporarily leading revenues

- Infrastructure build-out to keep pace with funnel
- Investments in provisioning, solution engineering and product development teams
- Global coverage and expansion
- Building ecosystem of global partners

Medium term and beyond

Enhances our business's strategic and financial attractiveness driven by

- Better stickiness and longevity of revenue streams
- Higher predictability / lower volatility
- Majority of these solutions (except Data centers) are fairly capex light in nature and will improve our return profile

Order book to revenue translation phase is normalizing

- While revenue translation phase has extended, sales and deal closure has continued to remain strong, building up our executable order book
- Many closed deals under different stages of execution
- Some large deals are already starting to get in to revenue mode

Continued Investment in our Brand

Heathrow Express (London) – We're the Connection

March 2015 brand survey shows positive brand equity:

- **Brand consideration up 30%**
- **87% target market consider us as a partner** (after seeing test campaign)
- Our message is **interesting, credible, relevant**
- Business travel hubs are effective showcases

Heathrow Express is a bold brand building move:

- **Unique brand property**
- Low brand 'leakage' - **over 69% business travellers**
- **Entire fleet wrapped in our branding**
- **“We're the connection”** highlights the role that we and the Heathrow Express play in connecting businesses and people



Making strategic investments in cutting-edge technologies



Made early inroads into the artificial intelligence space by co-investing in San Francisco-based Sentient Technologies (www.sentient.ai)

- Invested \$20 mn for a 2.3% stake in Sentient during FY15

Sentient offers next generation infrastructure as a service platform by using scalable distributed computing technology coupled with vertical specific artificial intelligence

- Sentient's power comes from linking up hundreds of thousands of computers over the Internet to work together as if they were a single machine
- Layered on top of the grid machine is evolutionary artificial intelligence and deep learning technologies to add another disruptive technology that will help address complex problems requiring Big Data

This association brings both Sentient as well as Tata communication commercial opportunities and also technical collaboration opportunities

- Tata Communications massive infrastructure scale enables this distributed computing objective and makes it a natural partner to Sentient

Continue to explore other capability acquisition and investment opportunities

- Exploring areas of mobility enablement, cloud enablement and security

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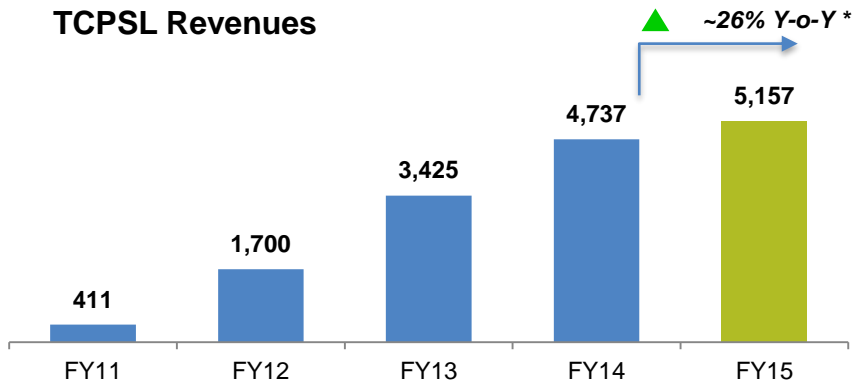
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Progress on TCPSL

INR Million

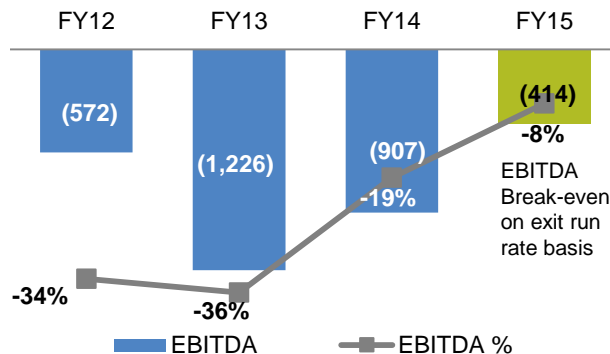
TCPSL exits FY15 with EBITDA break-even on exit run rate basis

TCPSL Revenues



* On adjusted / like-to-like basis after adjusting for revenue from exited contract for about 2,200 non-profitable ATMs in Q3 FY14. 9% growth on reported terms

TCPSL EBITDA



Number of ATMs	Mar-2014	Mar-2015	Jun-2015
BLA/MOF	17,848	17,725	13,466
Indicash WLA	1,182	5,163	5,592
Total	19,030	22,888	19,058

- **Primary objective is to sustain and improve operating profitability**
 - Rationalizing BLA/MOF ATM portfolio with an eye on profitability
 - Minimal further net additions on BLA/MOF deployments; 97% of ATMs are over a year old
 - Driving strong cost focus and scale efficiencies
 - Moderating indicash WLA deployments and capex
 - Despite significant ramp-up of indicash white label ATMs, average number of transactions per ATM up 15% Y-o-Y (June 2015 over June 2014)
- **Expect improvement trend in TCPSL EBITDA to sustain**

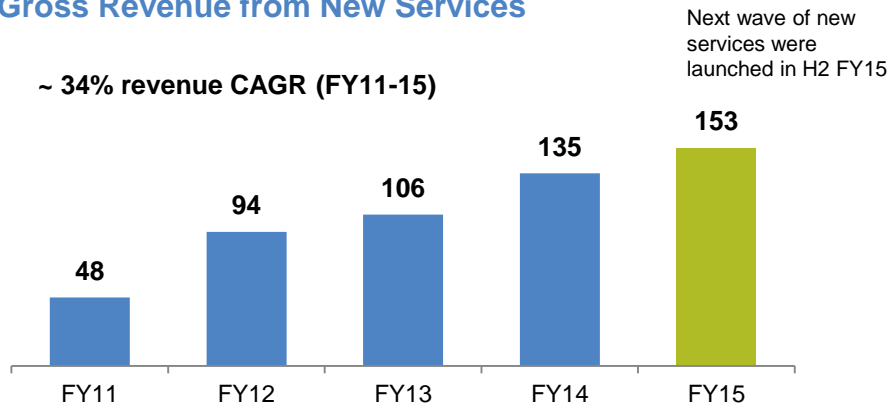
Slower revenue ramp-up in new services

USD Million

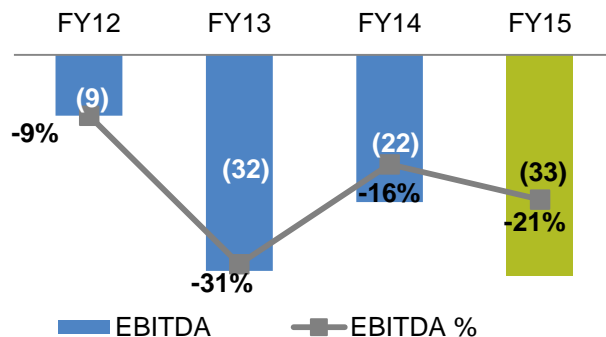
Continuing to evolve the business strategy and make investments to capture emerging opportunities

Gross Revenue from New Services

~ 34% revenue CAGR (FY11-15)



EBITDA from New Services



Continuing to step up investments

- Developing next wave of new services and investing in associated market facing activities (market conditioning and sales enablement)

Slower revenue ramp-up in new services in FY15

- Next wave of new services were launched in H2 FY15; has seen healthy pipeline activity since then
- Undergoing adoption pilots, proof of concepts (POC) and trials with several customers
- Sharpening Go-to-market (GTM) strategies and sales enablement (both own and partner sales teams)
- Market response has been encouraging

Expect financial performance to accelerate as these next wave of investments start gaining scale

New Service include CDN, UCC (Enterprise Voice and Business Video), Media and Entertainment Services, Mobile Broadband and Cloud (IaaS, SaaS)
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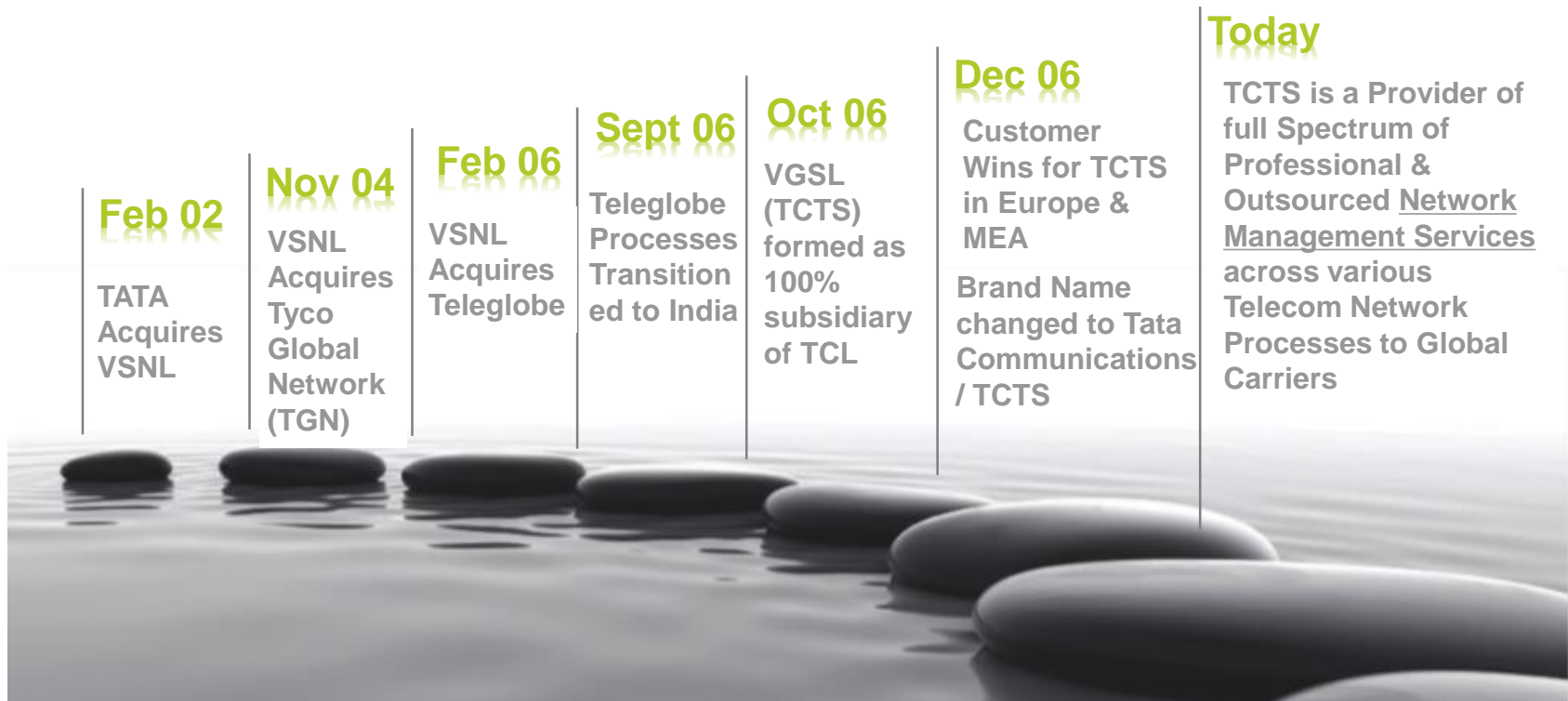
Tata Communications Transformation Services (TCTS) Overview

Presented By:

Sandeep Bhatnagar, CEO, TCTSL

Tata Communications Transformation Services (TCTS) Genesis & Milestones

TCTS has the unique experience of consolidation and transformation of tier 1 global network



Where do we stand today... as TCTS



TCTS is establishing itself in the Telecom Network Management Service market by providing consistent service delivery and expanding its coverage, range of services and capabilities.

What is our addressable market

Wireline / Wireless segment, Global Telco's, Media & Broadcasting companies, OTT's

What is our customer value proposition

Network Management Services with a Service Model linked to revenue growth, cost transformation and process improvisation

What is our advantage

- Tier I Grade Network Operations experience with TCL pedigree knowledge of process frameworks is our key capability
- Multi-technology, Multi-vendor & Multi-tool experience in real-world setting

Our Long Term Goal

- Be a "Challenger" in the Network Management Services vertical
- Be a partner of significance (major share of wallet) for our customers

TCTS | At a glance

Creating Values in Business Eco-system by Providing Solutions to Maximize Profitability

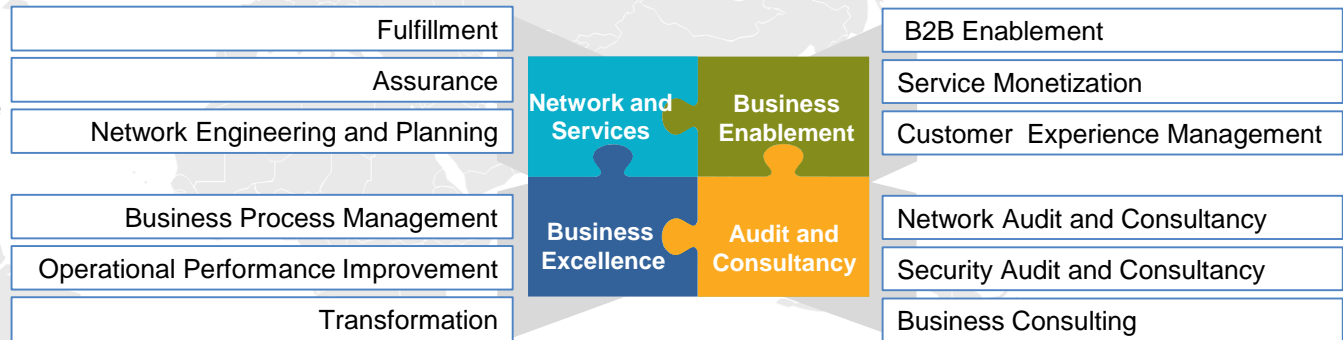
3000¹+

Multi domain/ vendor agnostic network specialist across multiple technologies

6

Global delivery centers including on-site customer delivery centers

Provider of full spectrum of outsourced Telecom network management services



Accelerate Time-to-Market
with Proven Experience and Expertise



Simplify Complexity
by Improving Process Efficiency



Reduce Costs by Optimizing
People, Processes and Technology



Improve End Customer Experience
by Enhancing Service Availability

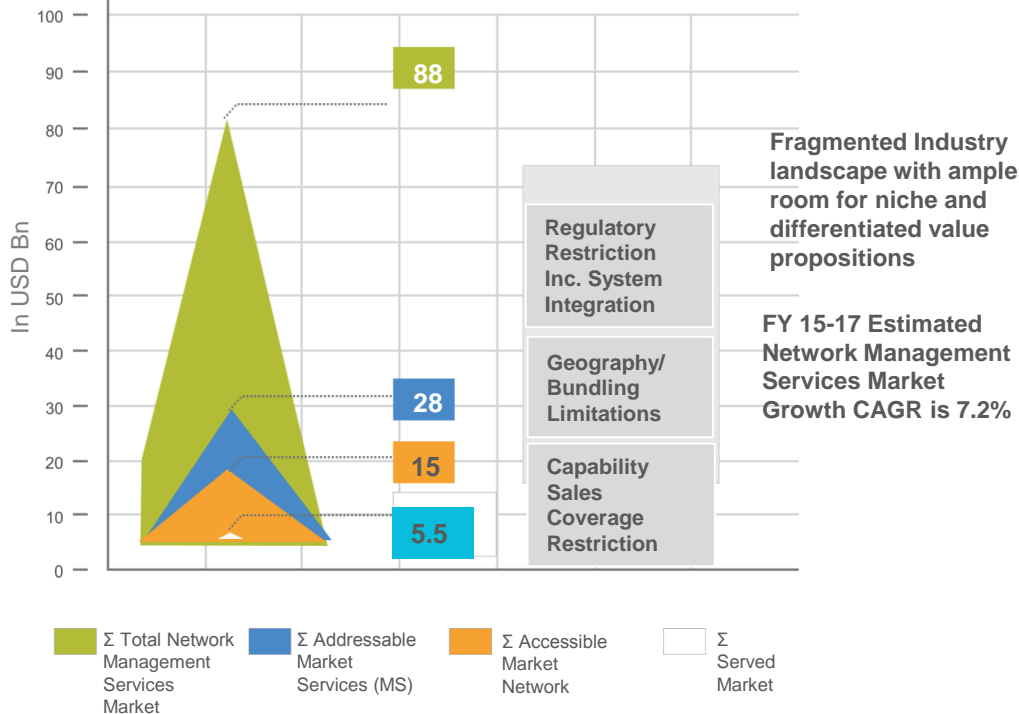
¹ Includes all resources deployed for global customers, group companies and Tata Communications captive operations

TCTS Addressable Market and Market Share



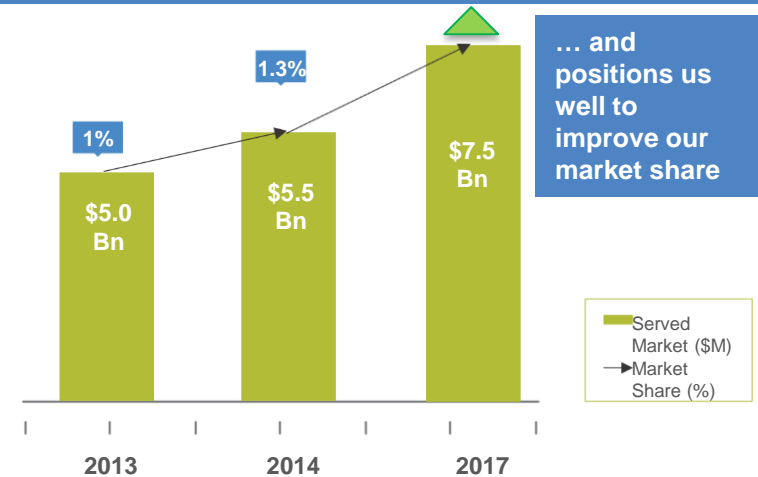
Network Management Services market is growing steadily and we are increasing our served market

Network management services market



TCTS relevant market share and way

Macro industry trend towards unbundling of outsourcing contracts coupled with significant investment underway in broadening TCTS capability and expanding geographic coverage will drive 50% increase in addressable market by 2017...



Source: Ovum, Informa

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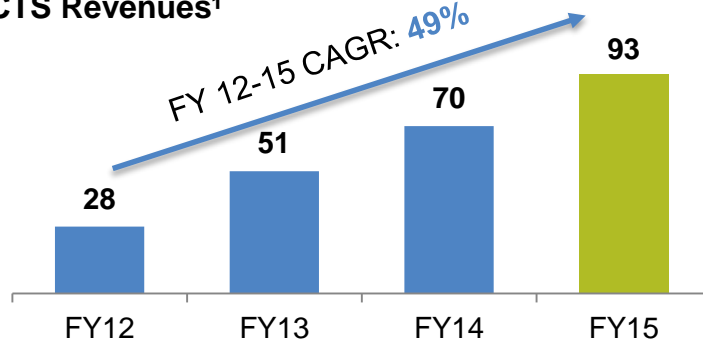
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TCTS – Financial Overview

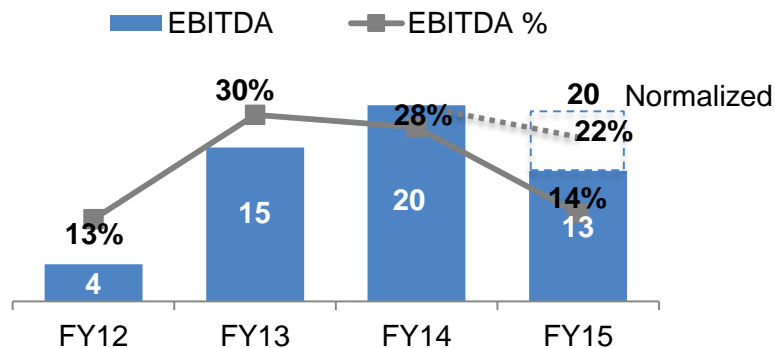
USD Million

Strong revenue growth and healthy operating margin profile

TCTS Revenues¹



TCTS EBITDA¹



- **TCTS is a high growth and superior ROCE/ROA business in a favorable macro landscape**
 - Current ROCE is >60% for FY15
 - Very marginal incremental capex intensity / minimal capex needs to scale the business
- **FY15 profitability is temporarily impacted by:**
 - Conscious investments in building **newer capabilities**, creating a **delivery bench** to match pipeline and funnel visibility, and stepping up **global sales and marketing**
 - One-off bad debt situation with a client (since terminated)
- **Expect continued growth momentum and improved profitability in FY16**
 - Strong near term growth visibility
 - Newer capabilities and sales coverage driving pipeline build-up
 - Operating and SG&A leverage to drive profitability










¹ Management estimates including group company and Tata Communications captive business on arms-length basis

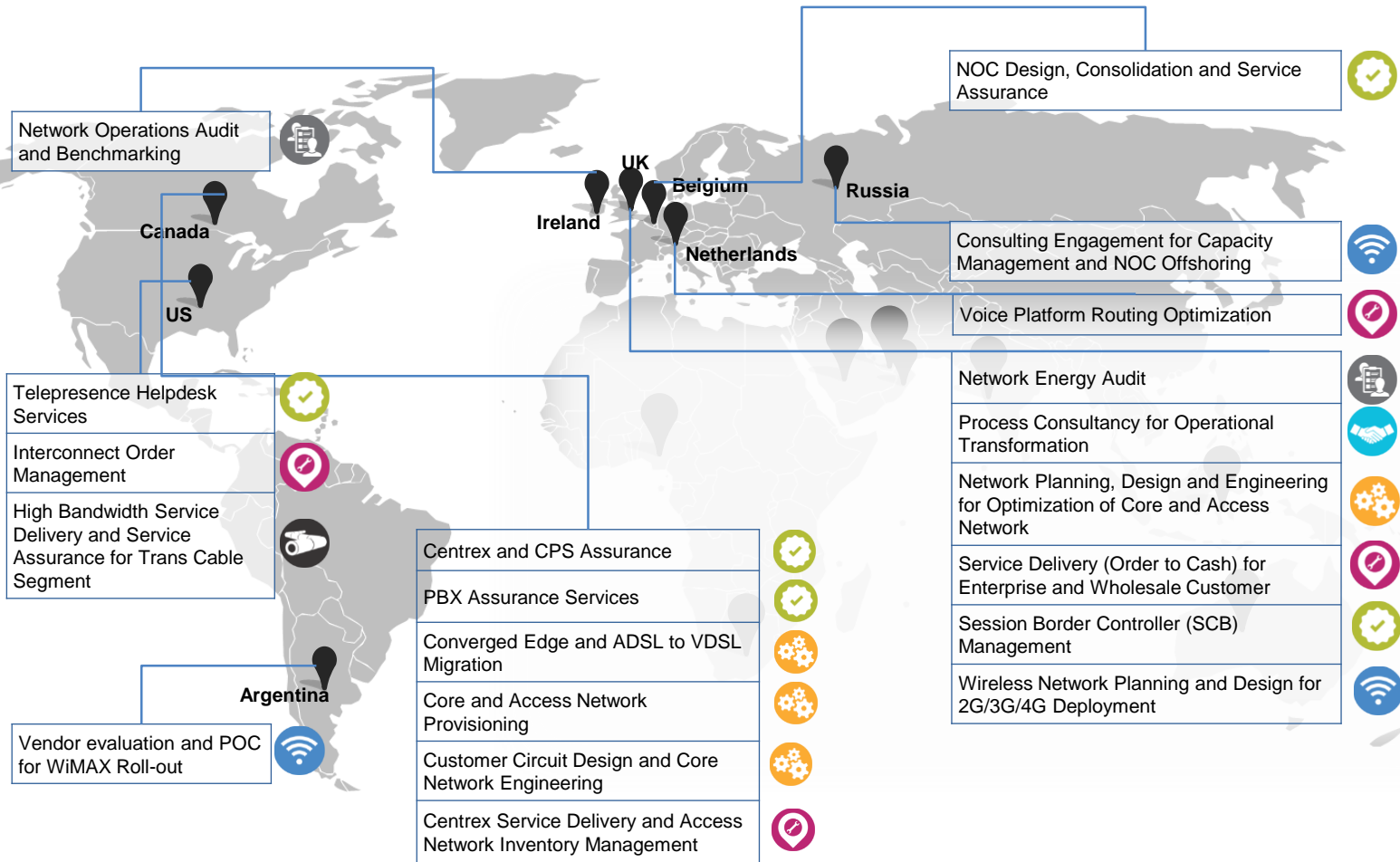
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Customer Footprint (1/2)



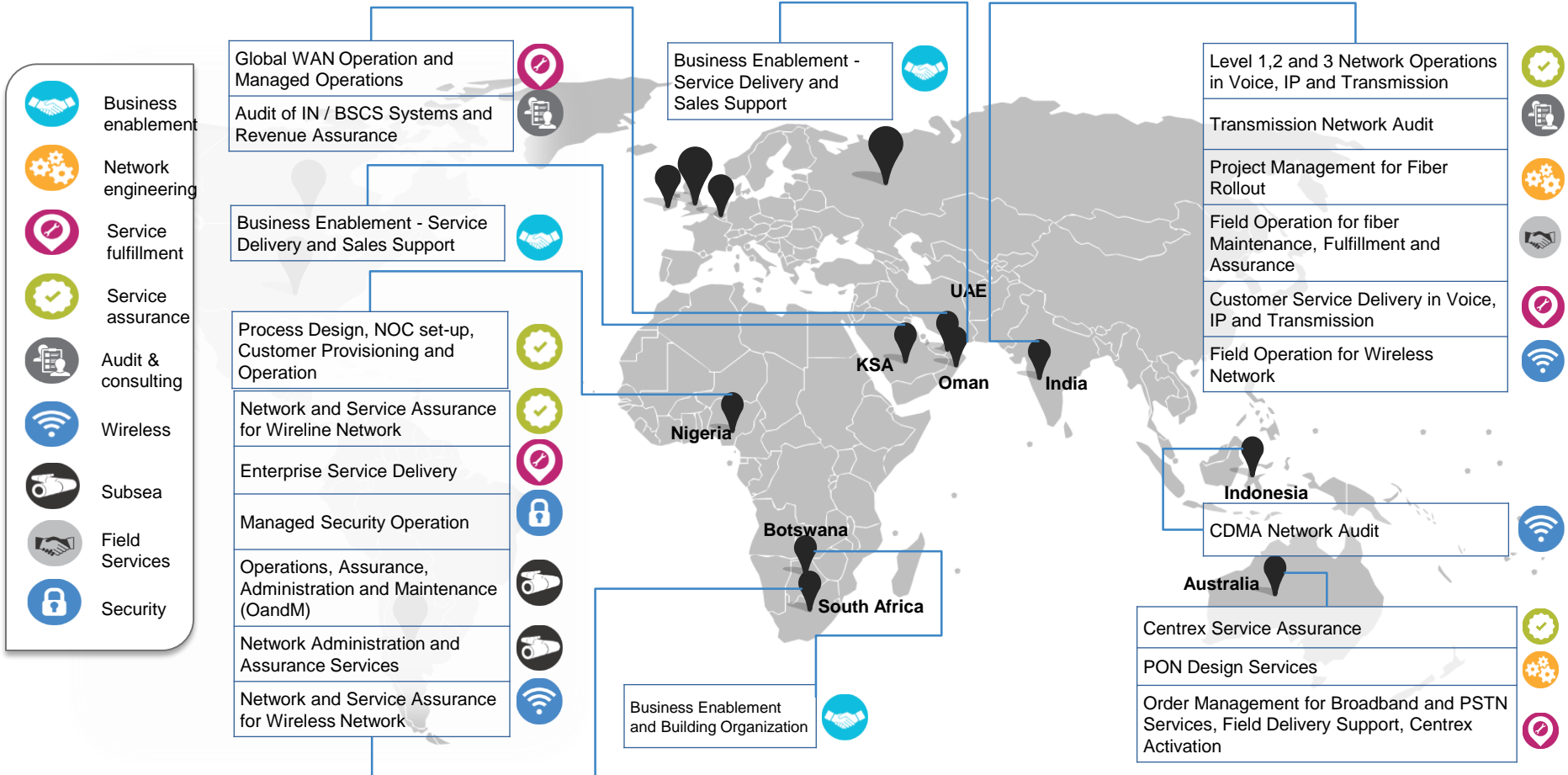
-  Business enablement
-  Network engineering
-  Service fulfillment
-  Service assurance
-  Audit & consulting
-  Wireless
-  Subsea
-  Field Services
-  Security



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Customer Footprint (2/2)





- **Financial Performance**
 - **FY15 Results**
 - **Q1 FY16 Results**
 - **Other financial highlights**

Presented By:

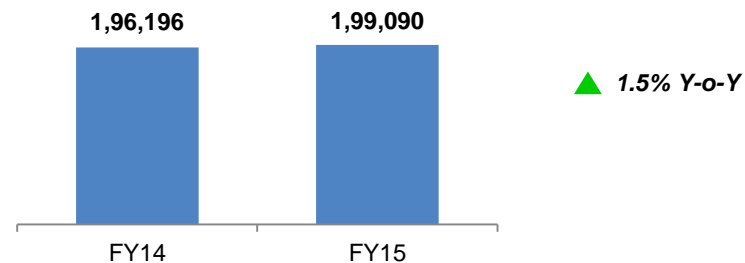
Pratibha K. Advani, CFO

Consolidated Financial Performance – FY 2015

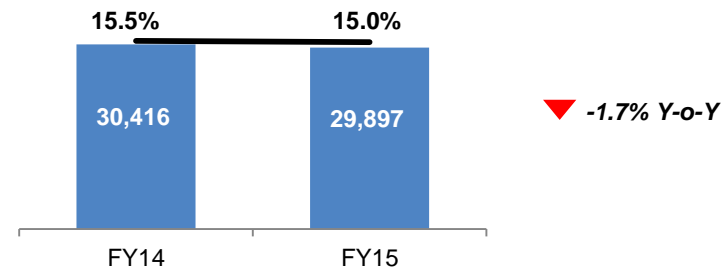
INR Mn

Particulars	FY 2014	FY 2015
Revenue from operations	196,196	199,090
Operating EBITDA	30,416	29,897
<i>Operating EBITDA %</i>	<i>15.5%</i>	<i>15.0%</i>
Operating EBIT	9,502	8,286
<i>Operating EBIT %</i>	<i>4.8%</i>	<i>4.2%</i>
Profit Before Tax without Exceptional Items	3,782	4,786
Exceptional Items – (Income) / Expense	(662)	1,052
PBT	4,444	3,734
<i>PBT (% of total income)</i>	<i>2.2%</i>	<i>1.8%</i>
PAT	1,014	13
<i>PAT (% of total income)</i>	<i>0.5%</i>	<i>0.0%</i>

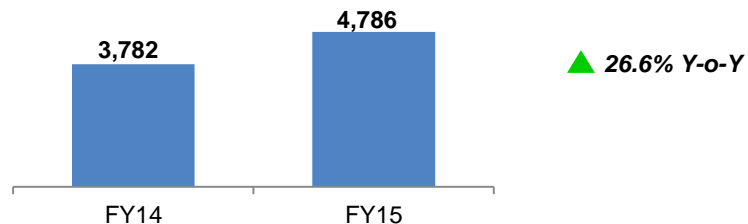
Revenue from Operations



Operating EBITDA and margins (% of gross revenue)



Profit Before Tax without Exceptional Items



Financial Performance by Segment – FY 2015

INR Mn

	CORE		STARTUP		CONSOLIDATED	
	FY14	FY15	FY14	FY15	FY14	FY15
Gross Revenues	174,509	177,675	21,687	21,415	196,196	199,090
Y-o-Y Growth		1.8%		-1.3%		1.5%
EBITDA	23,710	24,245	6,707	5,652	30,416	29,897
Y-o-Y Growth		2.3%		-15.7%		-1.7%
EBIT	5,245	4,859	4,257	3,427	9,502	8,286
Profit Before Tax without Exceptional Items	2,875	3,830	907	957	3,782	4,786
PBT	3,537	2,778	907	957	4,444	3,734
PAT after Minority Interest	76	(942)	939	955	1,014	13

Average Rs/\$ Exchange rate: FY14 at 60.48; FY15 at 61.13
 Average ZAR/\$ Exchange rate: FY14 at 10.13; FY15 at 11.06

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Core Business by Business Unit – FY 2015

INR Mn

	Global Voice Services (GVS)		Global Data Services (GDS)	
	FY14	FY15	FY14	FY15
Gross Revenues	93,024	87,761	81,485	89,914
Y-o-Y Growth		-5.7%		10.3%
Net Revenue	14,817	12,445	58,875	63,901
Y-o-Y Growth		-16.0%		8.5%
EBITDA¹	8,292	6,360	15,417	17,886
EBITDA Margin %	8.9%	7.2%	18.9%	19.9%
EBIT¹	6,106	4,333	(861)	526
EBIT Margin %	6.6%	4.9%	-1.1%	0.6%

¹ Management estimates based on internal MIS and cost allocation assumptions

Average Rs/\$ Exchange rate: FY14 at 60.48; FY15 at 61.13

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Other key aspects to FY15 results

- **Dividend**

- The Board of Directors has proposed a dividend of Rs 5.50 (previous year Rs 4.50) per equity share

- **Progress on monetization of non-core assets**

- Completed a sale transaction of the land parcel and building, earlier being used as a staff housing colony, situated at Matunga, Mumbai for Rs 855 million in March 2015

- **Impairment in carrying value of Neotel**

- The company has recorded impairment charges of Rs 1,900 million in its consolidated financials for the year ended March 31, 2015



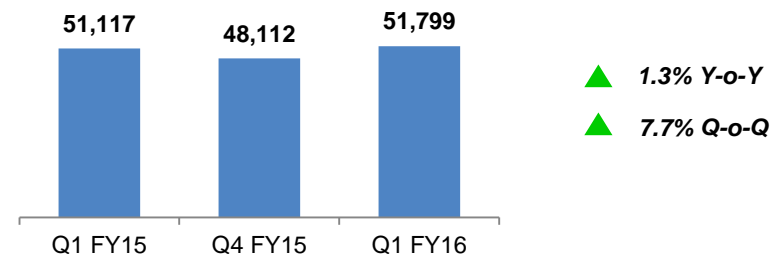
- **Financial Performance**
 - FY15 Results
 - **Q1 FY16 Results**
 - Other financial highlights

Consolidated Financial Performance – Q1 FY 2016

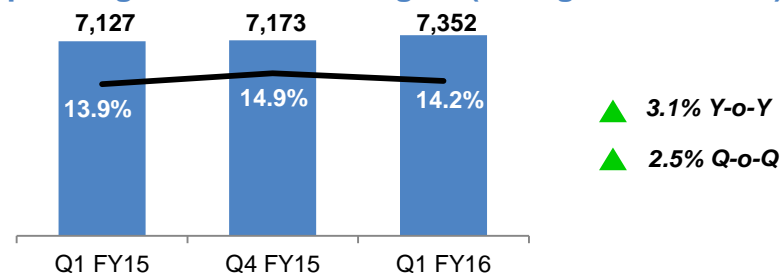
INR Mn

Q1 FY 2015	Particulars	Q4 FY 2015	Q1 FY 2016
51,117	Revenue from operations	48,112	51,799
7,127	Operating EBITDA	7,173	7,352
13.9%	<i>Operating EBITDA %</i>	14.9%	14.2%
1,826	Operating EBIT	1,556	1,761
3.6%	<i>Operating EBIT %</i>	3.2%	3.4%
479	Profit Before Tax without Exceptional Items	431	602
-	Exceptional Items – (Income) / Expense	1,052	-
479	PBT	(621)	602
0.9%	<i>PBT (% of total income)</i>	-1.3%	1.1%
(214)	PAT	(1,783)	(339)
-0.4%	<i>PAT (% of total income)</i>	-3.7%	-0.6%

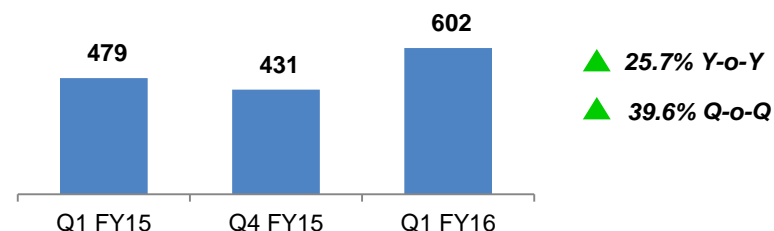
Revenue from Operations



Operating EBITDA and margins (% of gross revenue)



Profit Before Tax without Exceptional Items



Financial Performance by Segment – Q1 FY 2016

INR Mn

	CORE			STARTUP			CONSOLIDATED		
	Q1 FY 2015	Q4 FY 2015	Q1 FY 2016	Q1 FY 2015	Q4 FY 2015	Q1 FY 2016	Q1 FY 2015	Q4 FY 2015	Q1 FY 2016
Gross Revenues	45,186	43,457	45,383	5,931	4,655	6,415	51,117	48,112	51,799
Y-o-Y Growth			0.4%			8.2%			1.3%
Q-o-Q Growth			4.4%			37.8%			7.7%
EBITDA	5,712	6,175	6,033	1,415	998	1,318	7,127	7,173	7,352
Y-o-Y Growth			5.6%			-6.8%			3.1%
Q-o-Q Growth			-2.3%			32.1%			2.5%
EBIT	1,041	1,120	977	785	436	784	1,826	1,556	1,761
Profit Before Tax without Exceptional Items	516	754	601	(37)	(323)	1	479	431	602
PBT	516	(298)	601	(37)	(323)	1	479	(621)	602
PAT after Minority Interest	(176)	(1,459)	(339)	(37)	(323)	1	(214)	(1,783)	(339)

Average Rs/\$ Exchange rate: Q1 FY15 at 59.78; Q4 FY15 at 62.26 ; Q1 FY16 at 63.43
 Average ZAR/\$ Exchange rate: Q1 FY15 at 10.54; Q4 FY15 at 11.73; Q4 FY15 at 12.10

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Core Business by Business Unit – Q1 FY 2016

INR Mn

	Voice Solutions			Data Services		
	Q1 FY 2015	Q4 FY 2015	Q1 FY 2016	Q1 FY 2015	Q4 FY 2015	Q1 FY 2016
Gross Revenues	23,407	20,555	20,548	21,780	22,902	24,836
Y-o-Y Growth		-	-12.2%			14.0%
Q-o-Q Growth			0.0%			8.4%
Net Revenue	3,381	2,919	2,620	15,490	16,300	17,290
Y-o-Y Growth			-22.5%			11.6%
Q-o-Q Growth			-10.2%			6.1%
EBITDA¹	1,728	1,611	1,300	3,985	4,564	4,734
EBITDA Margin %	7.4%	7.8%	6.3%	18.3%	19.9%	19.1%
EBIT¹	1,237	1,132	824	(196)	(13)	153
EBIT Margins %	5.3%	5.5%	4.0%	-0.9%	-0.1%	0.6%

¹ Management estimates based on internal MIS and cost allocation assumptions

Average Rs/\$ Exchange rate: Q1 FY15 at 59.78; Q4 FY15 at 62.26 ; Q1 FY16 at 63.43

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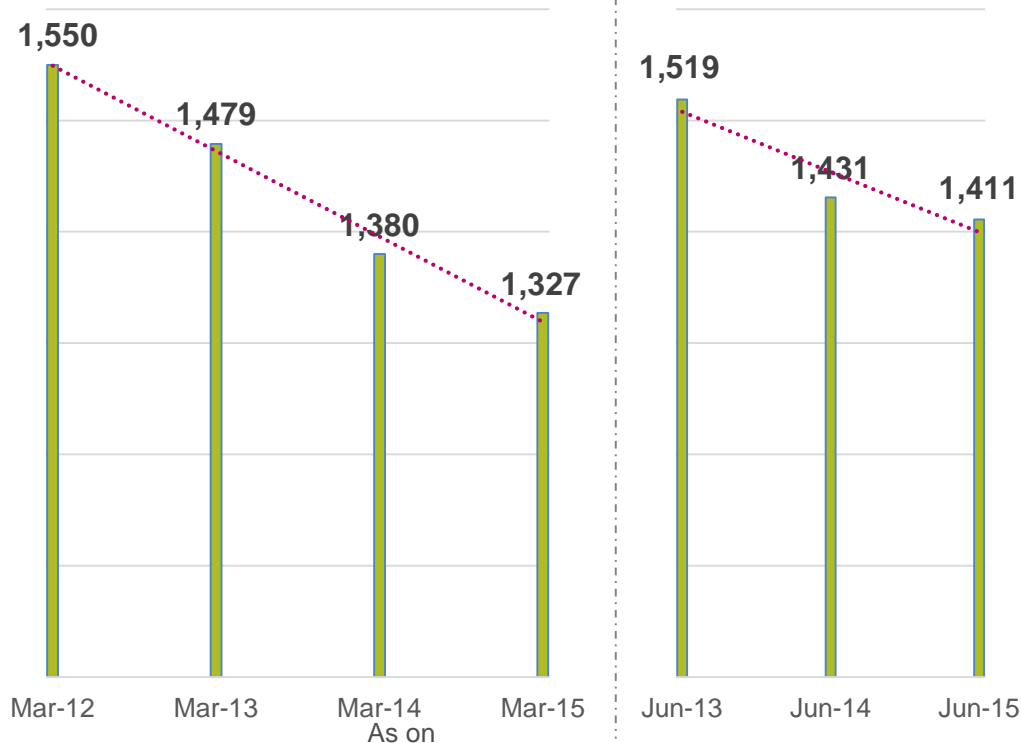
- **Financial Performance**
 - FY15 Results
 - Q1 FY16 Results
 - **Other financial highlights**

Core business deleveraging continues

Reduced capex intensity and improved Operating performance driving core business deleveraging

Core Business – Net Debt*

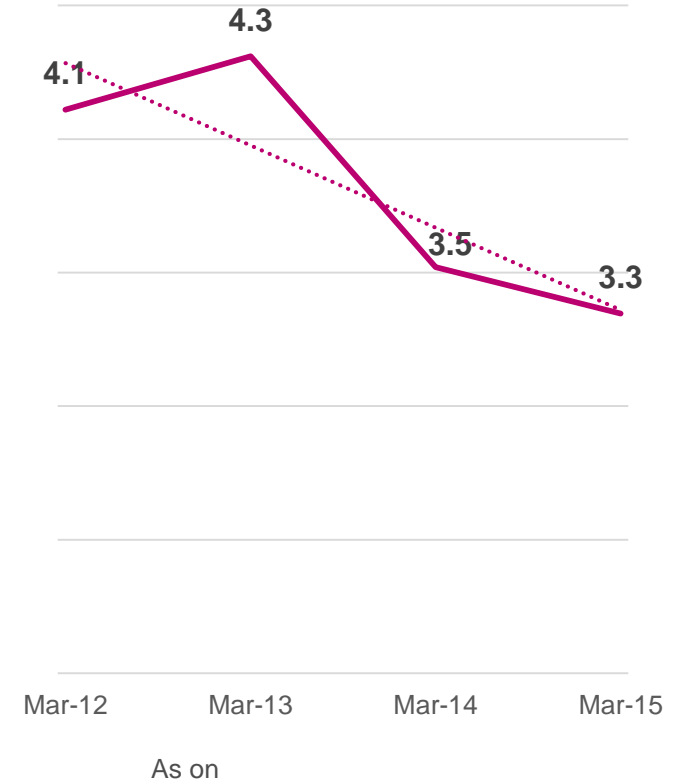
USD Millions



*SGD 561 Mn Debt is fully swapped into USD but appears at USD/SGD closing rates. As on 30th June, 2015, considering closing rate of 1.3459 against hedge rate of 1.2449, net debt would be higher by \$34 mn if considered at the hedge rate.

Core Business leverage – Net Debt / LTM EBITDA¹

LTM refers to last twelve months EBITDA.



As on

¹ EBITDA for FY13 and periods prior to that is not restated for minor sub-segment (core and start-up) re-classifications captured in FY14 number onwards. On a like-to-like basis leverage as on Mar-12 and Mar-13 would have been slightly higher.

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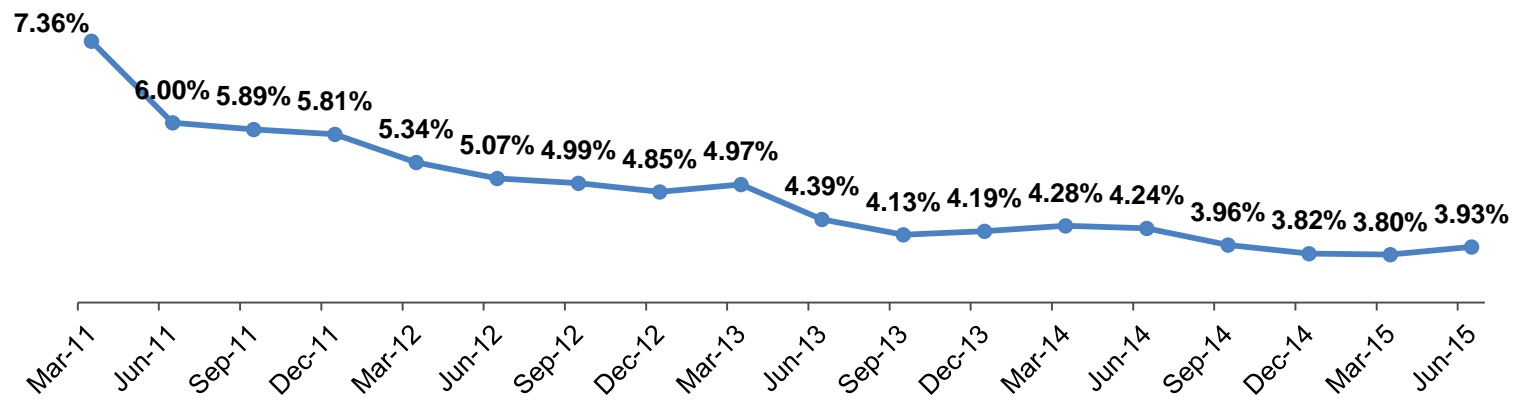
Effectively optimizing debt profile and reducing interest cost



Consistent reduction in average cost of borrowing has driven lower interest expense

- Refinanced over \$380 million foreign currency debt during FY15 at competitive rates and repaid INR 4,800 million of Rupee debt from cash reserves, further driving reduction in average cost of loans
- Opportunistically raised \$ 260 Million long term foreign currency debt in Q1FY16 at substantially lower rates and prepaid USD 175 Million of long term debt maturing in Dec 2015 and USD 85 Million of short term debt
- Balance FY16 core business debt maturity (excluding short term loans) is \$434 million. Core business cash and cash eq. as on March 31, 2015 is \$298 million
- Well placed to refinance the gap and manage debt profile at competitive terms
- Temporary marginal increase in average cost of loans in Q1 FY16 is due to chargeback of unamortized portion of arrangement fee on prepaid loan

Core Business - Average Cost of Loans



Data points in graphs pertains to respective quarter ending (i.e March-11, June-11 etc.).

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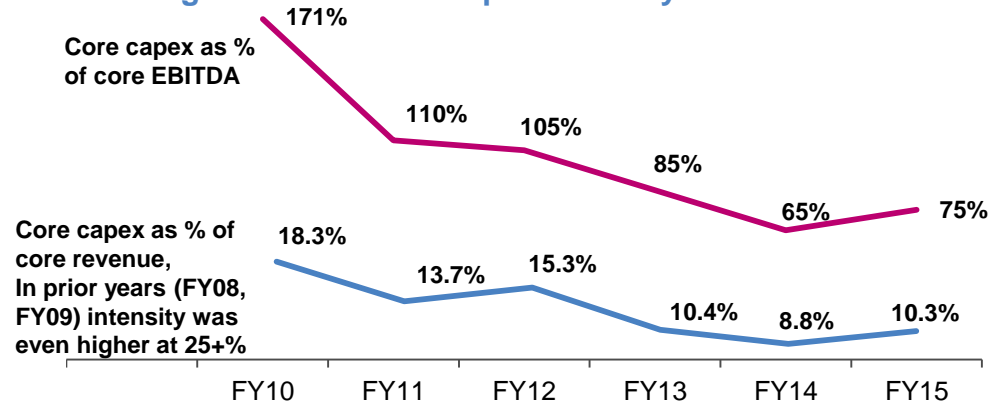
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Driving capital efficiency and cash generation

Core Business Capex - Key Highlights

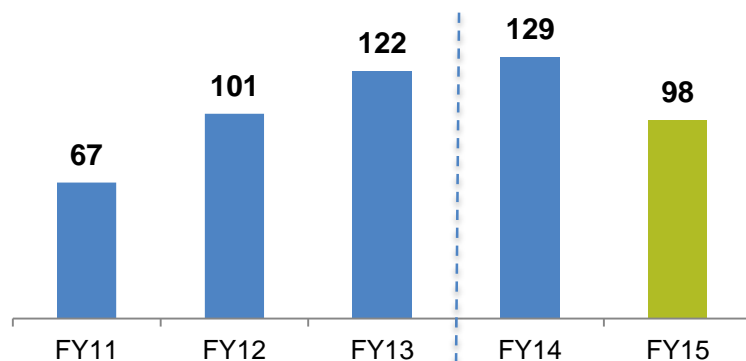
- After a period of asset expansion and infrastructure build-out completion, current focus is on containing capex through high asset utilisation
- Capex intensity has now reduced and future capex is closely aligned to market opportunity and accelerated payback
- Current capex predominantly focused on strategic projects and Data growth
- Strong discipline, governance around capital allocation and expenditure
- Adopting asset light, partnership driven growth strategy
- Rapid growth in Data center business requires higher capex
- Expect FY16 Core business capex to be about \$350 mn

Reducing Core Business Capex Intensity



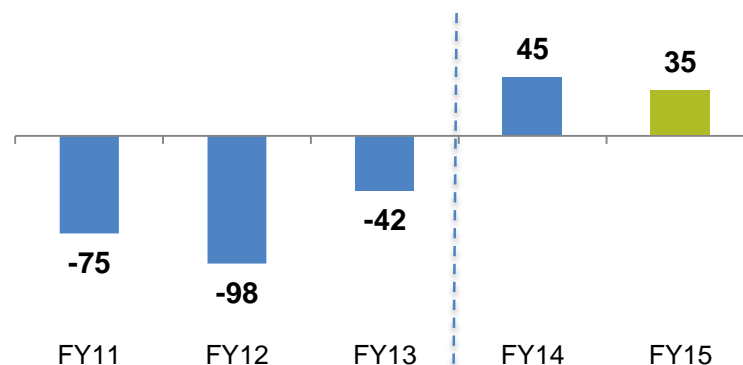
GVS – Continues to generate free cash

GVS EBITDA less GVS Capex (\$ million)



GDS – Turning the Corner on Cash Generation

GDS EBITDA less capex for GDS and strategic projects (\$ million)



Note: FY14 and FY15 are like-to-like. FY13 and periods prior to that are not restated for recent sub-segment re-classifications.

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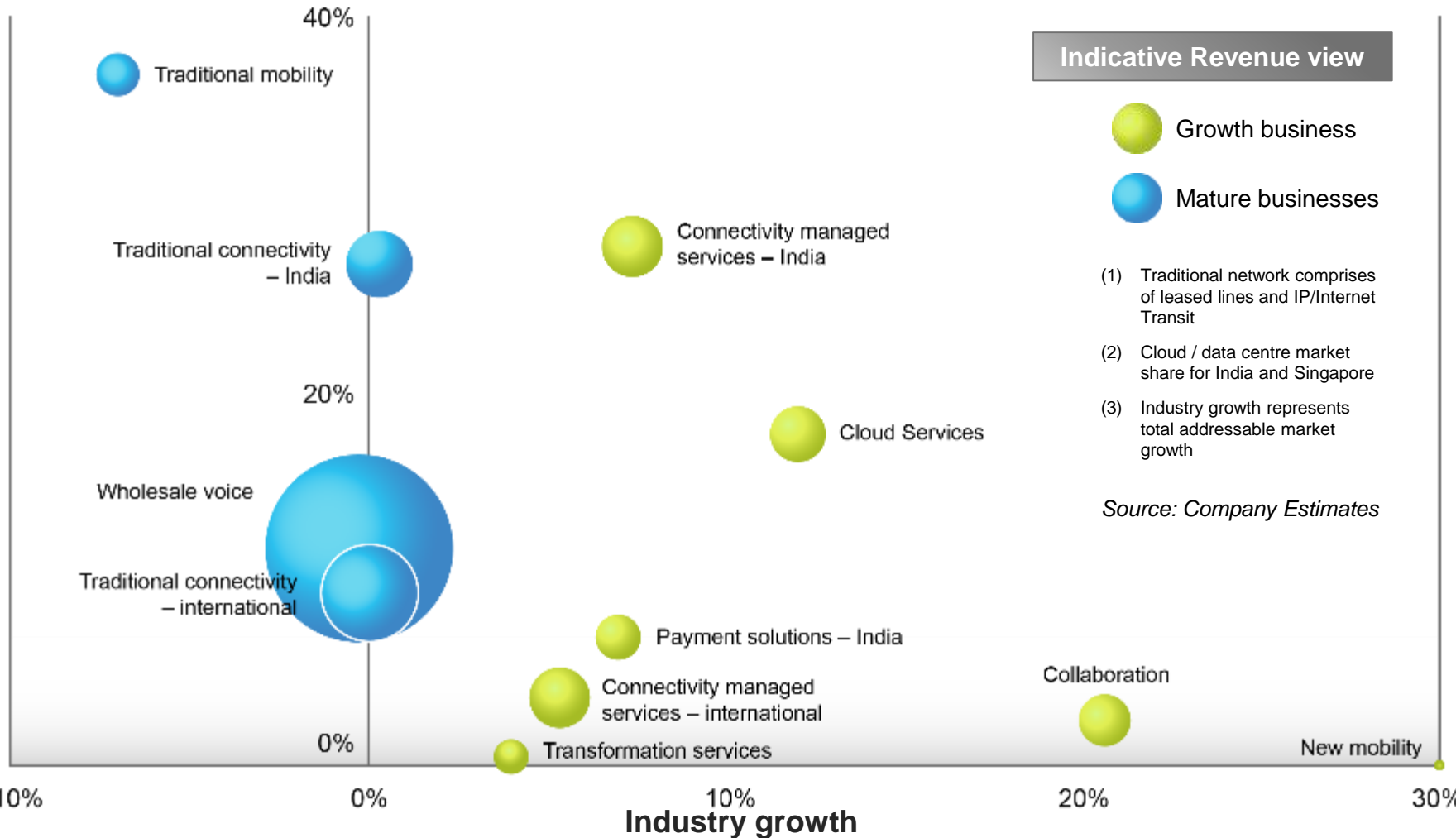
- Business Highlights
- **Strategy Update and Business Outlook**

Presented By:

Vinod Kumar, MD & Group CEO

Current Portfolio – Market Share vs Industry Growth

Tata Communications market share



Indicative Revenue view

- Growth business
- Mature businesses

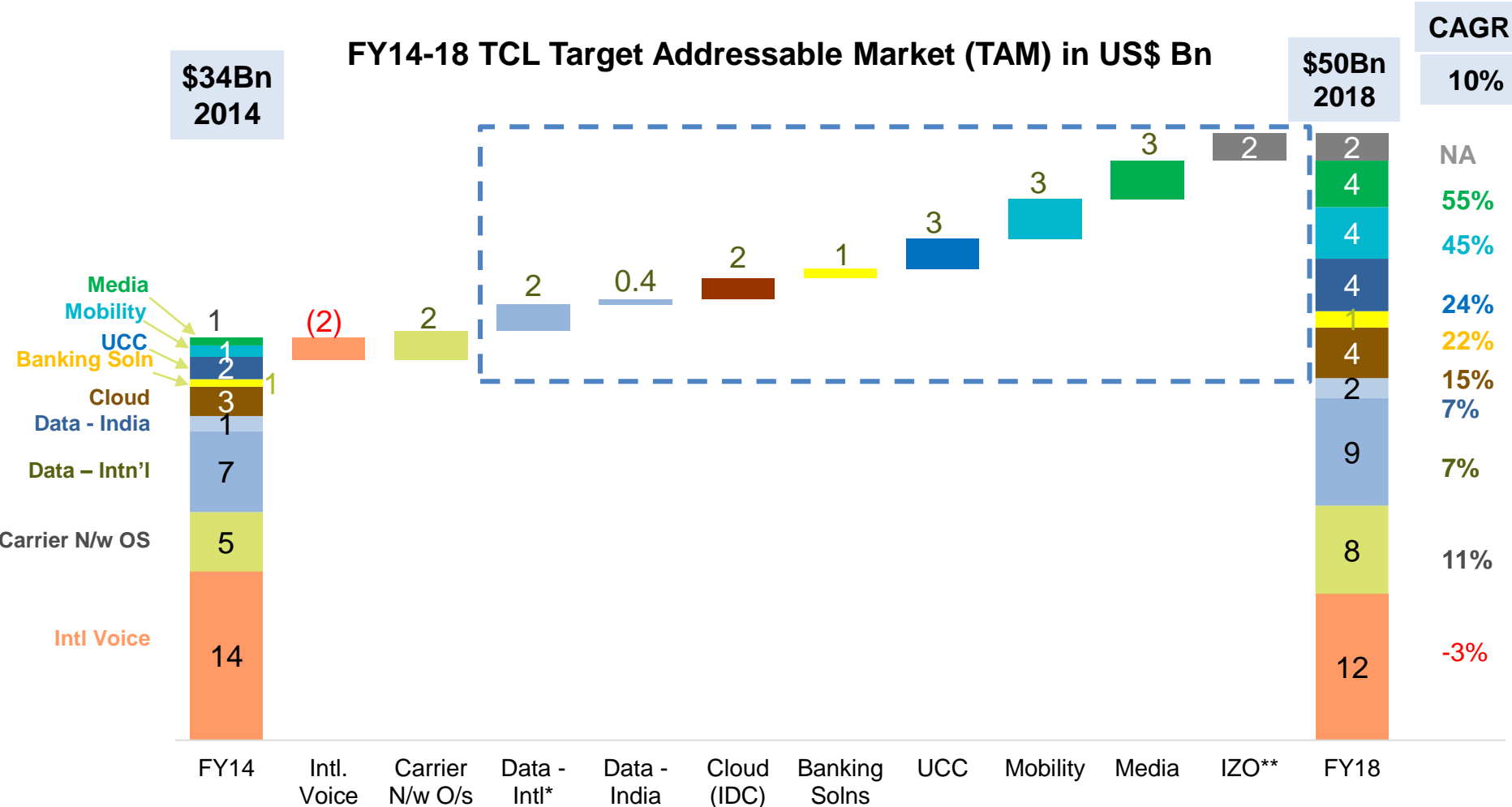
- (1) Traditional network comprises of leased lines and IP/Internet Transit
- (2) Cloud / data centre market share for India and Singapore
- (3) Industry growth represents total addressable market growth

Source: Company Estimates

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Target market to expand to ~\$50 Bn by 2018



*Data – Intl Connectivity includes ILL, VPN, Ethernet, CDN, IPT

**IZO includes market for Enterprise Internet (excl. India) + Domestic VPN (excl. India)

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Governing Objectives and Way Forward



Maximize long term intrinsic value for our shareholders by :

Strategic Focus Areas

Driving Capital Efficiency

- Recalibrate investments
- Co-create with partners
- Strong discipline and governance around capital allocation and expenditure

Improving Margin Profile

- Improve operating efficiency and drive operating leverage
- Accelerate growth in high margin data segment and new services

Investing for Sustainable Long-term Growth

- Reshape portfolio
- Traditional services facing challenges
- Need to invest in new services / innovation to differentiate and accelerate growth.

Creating Financial and Strategic Flexibility

- Free cash flow (FCF) generation and balance sheet deleveraging is a key priority
- Pursue opportunities for unlocking intrinsic value
- Rationalize businesses with subpar return profile

Maximize shareholder returns by improving core business RoCE

Way ahead – FY16

Voice

- Continued volatility on India termination rates to impact volume and revenue
- Manage cost and capex to minimize impact on FCF generation

Data

- Emphasis is on partnering and speeding up to complete feature sets of new services
- Pace of investments in front-end to continue
- Traditional services driven by improved efficiencies and TCPSL turn around to fund most of these investments
- H1 to see revenue traction as order book starts to translate in to revenues
- H2 onwards economies of scale and operating leverage to start reflecting in headline operating profitability
- Expect significant Y-o-Y EBITDA growth but a bit back ended

Summary

1

Executing well and on track on our transformational agenda

2

Quickly changing tech trends offers significant opportunities as well as risks. Traditional services facing challenges

3

Need to invest in new services/innovation to differentiate and accelerate growth. Remain focused on execution.

4

On path to maximize shareholder returns by substantially improving Core business RoCE



Q&A Session

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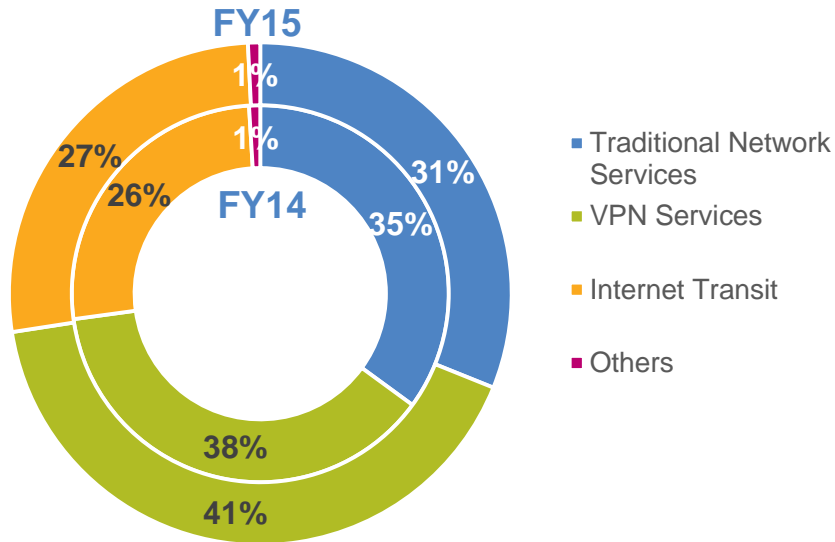


Appendix 1 – Additional Slides

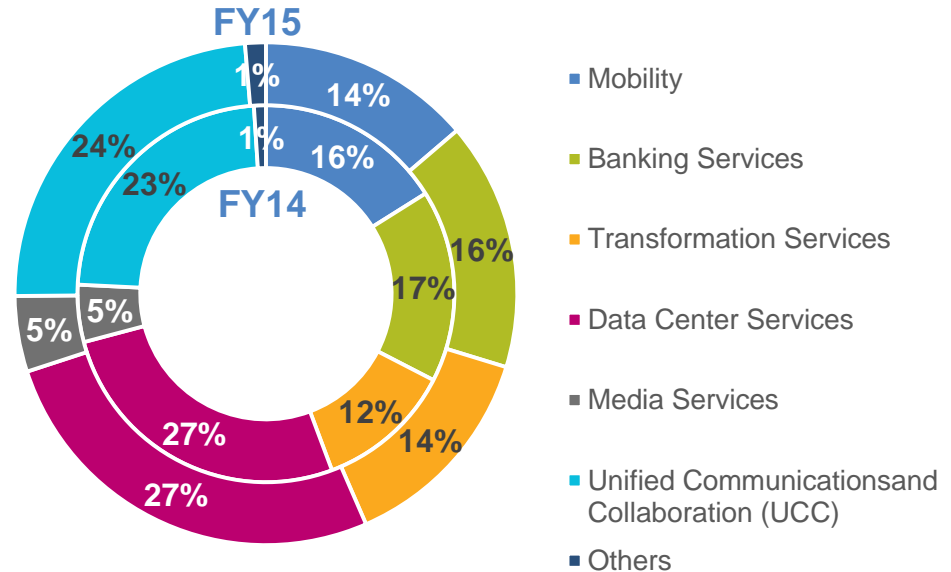
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GDMS | YoY Gross Revenue Product Mix (1/2)

Network Services



Managed Services



Network Service Portfolio

Traditional Network Services: IPL, NPL, IRUs

VPN Services : DGE and VPN

Internet Transit – IP-T, ILL

Other: Inmarsat, GNS others

Managed Services Portfolio:

Banking Services: TCPSL

Transformation Services: TCTSL

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

Media Services: Vconnect, Broadcast, CDN, Mosaic

Unified Communications and Collaboration (UCC): SIP trunking, Unified Conferencing, Telepresence, Jamvee, Hosted Contact Centre

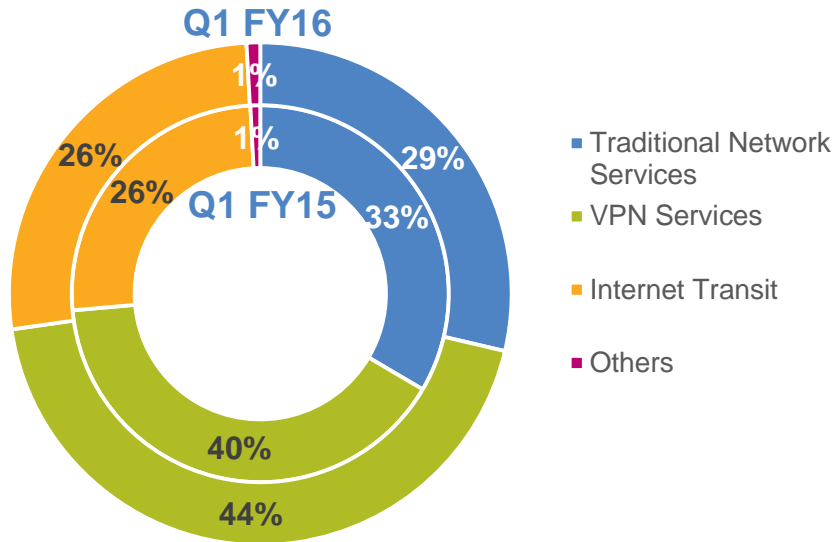
Other: MSS, SaaS

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GDMS | YoY Gross Revenue Product Mix (2/2)

Network Services



Network Service Portfolio

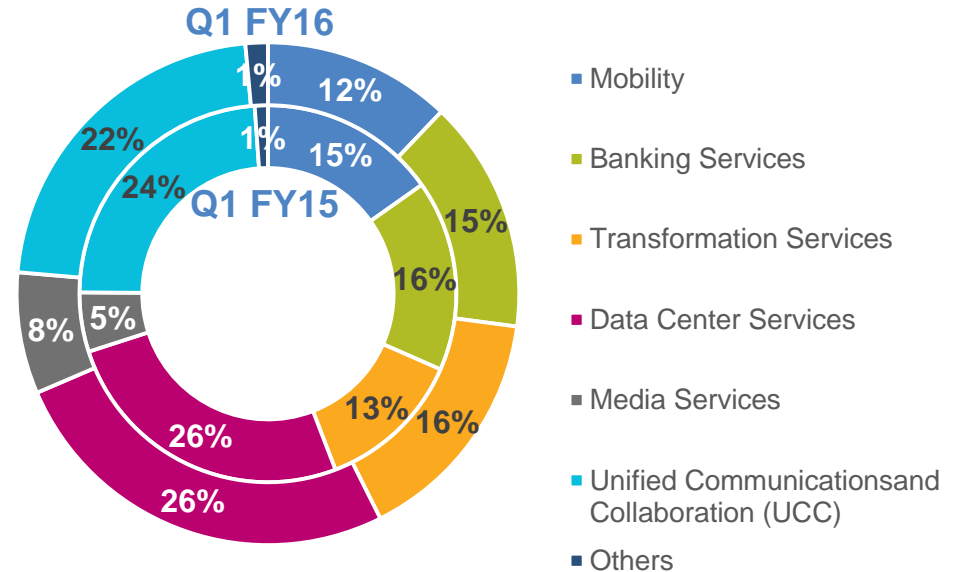
Traditional Network Services: IPL, NPL, IRUs

VPN Services : DGE and VPN

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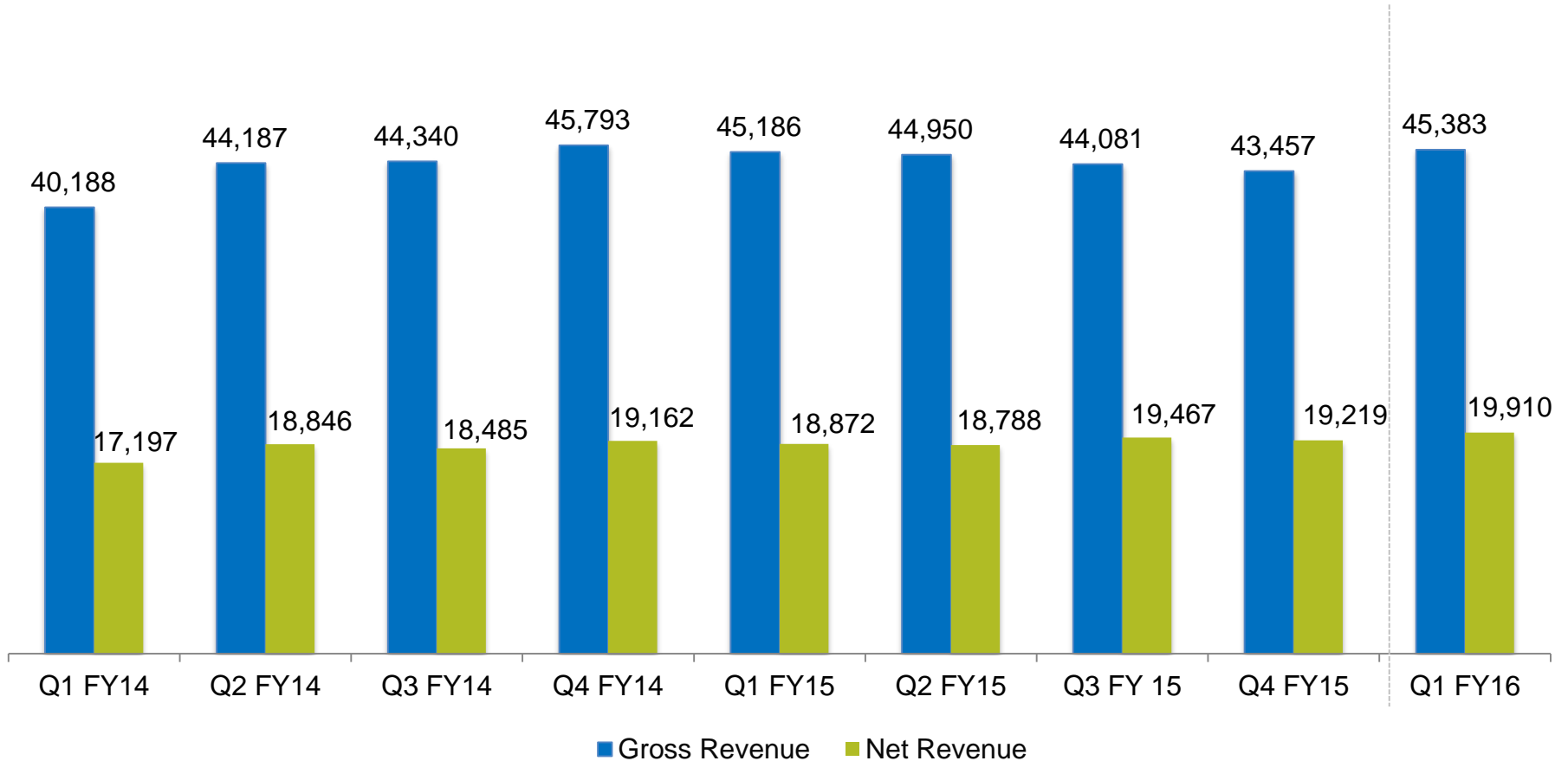
Other: MSS, SaaS

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Core Business Gross and Net Revenues

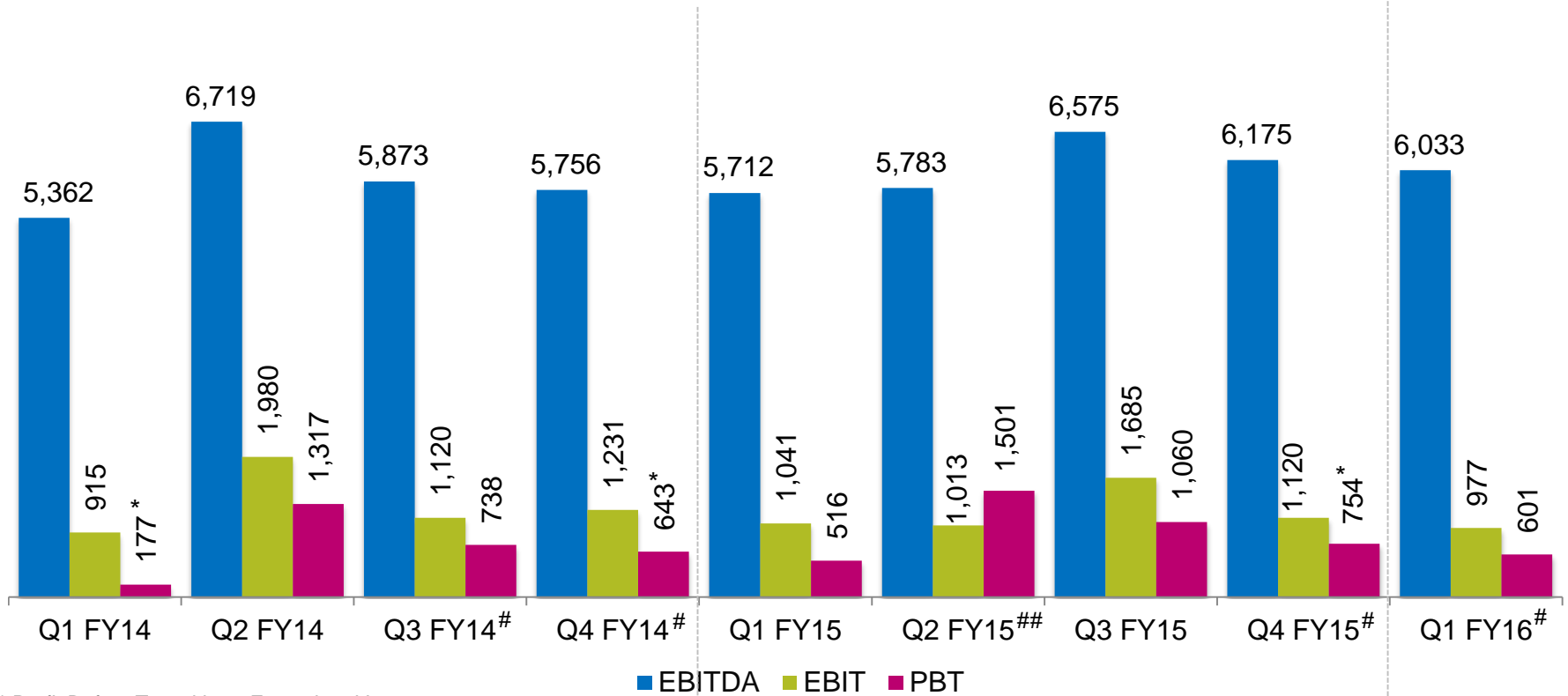
INR Mn



Average Rs/\$ Exchange rate: Q1 FY14 at 55.83; Q2 FY14 at 62.21; Q3 FY14 at 62.06; Q4 FY14 at 61.83; Q1 FY15 at 59.78; Q2 FY15 at 60.58; Q3 FY15 at 61.91; Q4 FY15 at 62.26; Q1 FY16 at 63.43

Core Business EBITDA, EBIT and PBT

INR Mn



* Profit Before Tax without Exceptional Items

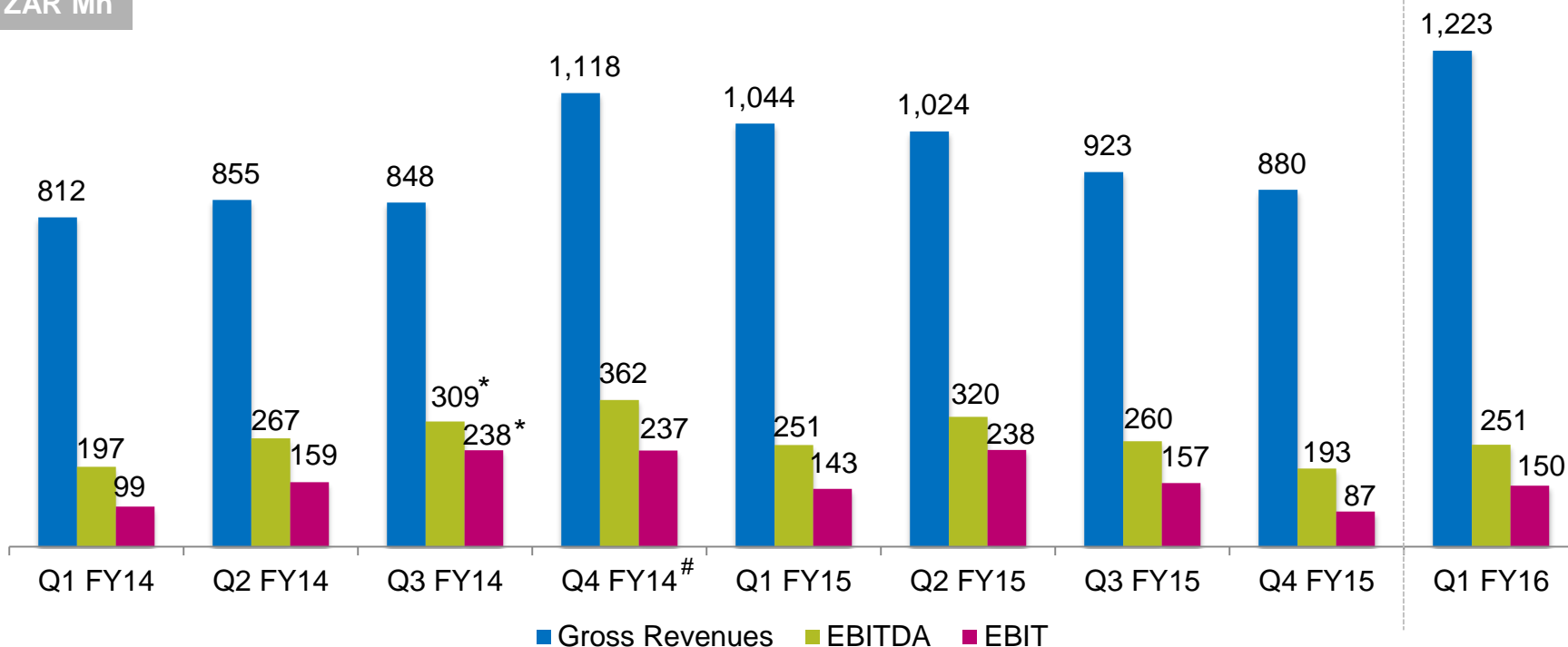
[#] Q3 FY14, Q4 FY14, Q4 FY15 and Q1 FY16 PBT includes other operating Income of Rs 424 million, Rs 40 million, Rs 43 million, and Rs 264 million respectively, towards export benefits received

^{##} Q2 FY15 PBT includes interest on tax refund of Rs 1,275 million

Average Rs/\$ Exchange rate: Q1 FY14 at 55.83; Q2 FY14 at 62.21; Q3 FY14 at 62.06; Q4 FY14 at 61.83; Q1 FY15 at 59.78; Q2 FY15 at 60.58; Q3 FY15 at 61.91; Q4 FY15 at 62.26; Q1 FY16 at 63.43

Quarterly trends : Neotel

ZAR Mn



Q4 FY14 includes Rs 60 crore backdated revenues being recognized post billing dispute resolution

* Q3 FY14 EBITDA includes network cost write back in respect of earlier years amounting to Rs 337 million. EBIT is higher due to retrospective depreciation adjustment for nine month period (9M FY14) on account of increase in useful life of assets

Average Rs./ZAR Exchange rate: Q1 FY14 at 5.89; Q2 FY14 at 6.22; Q3 FY14 at 6.12; Q4 FY14 5.69 at; Q1 FY15 at 5.67; Q2 FY15 at 5.63; Q3 FY15 at 5.53; Q4 FY15 at 5.31; Q1 FY16 at 5.24

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TATA COMMUNICATIONS



Appendix 2 – Introduction and Overview of Tata Communications

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Company overview

- Tata Communications Limited ('TCL') is a leading provider of enterprise & wholesale Data Services and wholesale long distance Voice Solutions
- 48.9% owned by the Tata Group, which is one of India's largest and most reputed multinational conglomerates
- Business consists of 3 segments: Voice Solutions, Data Services 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 and mobile signaling globally
- Total 9,448 employees as of Jun'15. 971 employees in the South African operations and 8,477 in core business (Data+Voice) and corporate

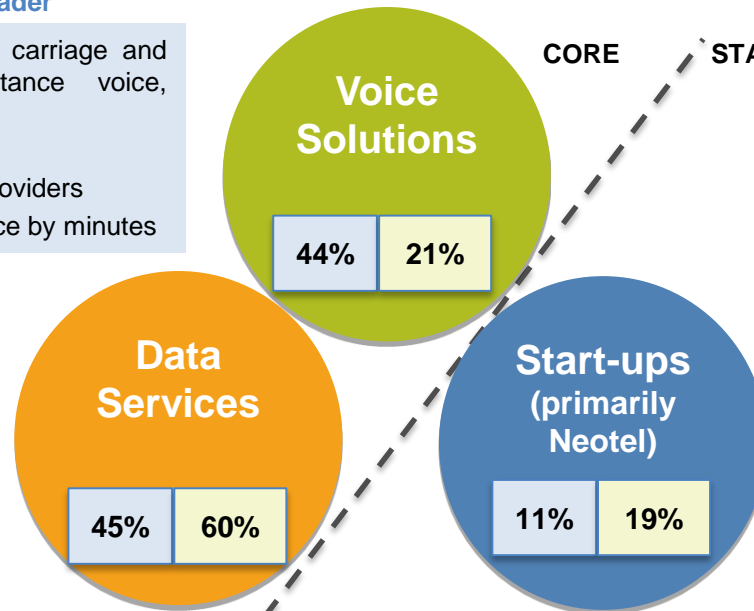
Business Model

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 wholesale 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, and mid-market segment in India
- **Ranking:** #1 in India in enterprise data services by revenue



START-UPS¹

South Africa Investment (Neotel) – Concluded* commercial discussions to sell to Vodacom

- **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

* Transaction is subject to regulatory approvals

% of gross Revenue ²	% of EBITDA ²
44%	21%
45%	60%
11%	19%

¹ Start-ups also includes United Telecom Limited (UTL) Nepal (22.05% shareholding) besides Neotel (67.32% shareholding)

² for the year ending Mar'15

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TATA COMMUNICATIONS

Tata Communications' transformation and growth

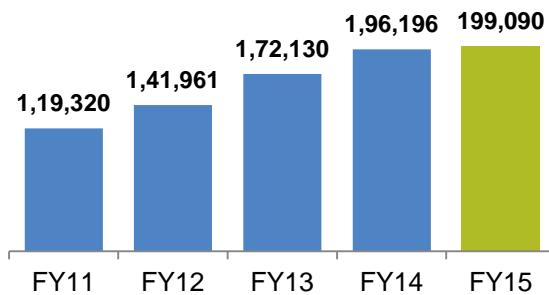


Gartner, Inc "Magic Quadrant for Network Services, Global" Neil Rickard, Bjarne Munch, 14 January 2015. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organisation and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

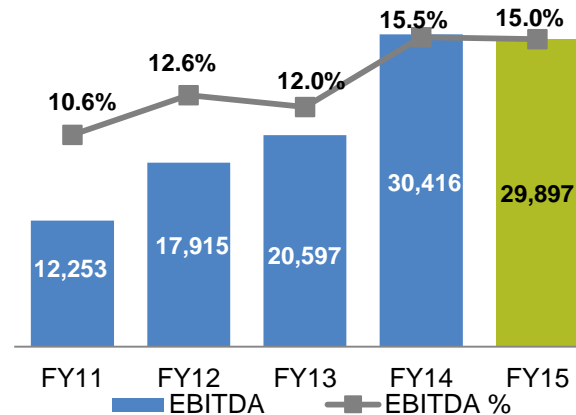
Sustained profitable growth over the years

Summary Financials

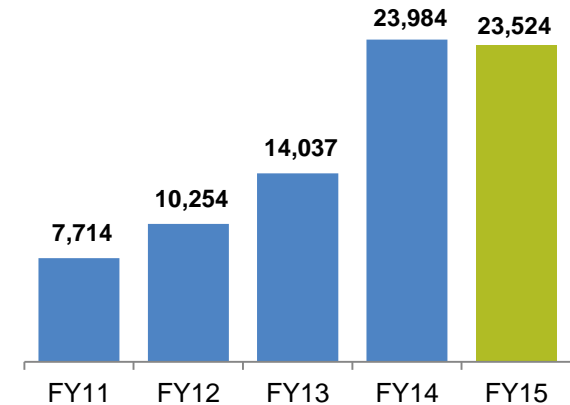
Consolidated Revenue from Operations (INR mn)



Consolidated EBITDA (INR mn)



Consolidated Cash Profit¹ (INR mn)



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

- Strong revenue growth momentum outpacing industry and peers growth rates
- 440 bps EBITDA margin improvement over last 4-years, while continuing to step up investments in transforming the business and expanding in to attractive value chain adjacencies
- Onset of operating leverage and strong cost discipline driving significant cost efficiencies across all elements of the cost structure
- Significant build-up in cash profits
- FY15 performance impacted by challenging operating environment in wholesale voice business; data continues to perform well

Global management team



Vinod Kumar
MD and Group CEO
(Singapore and India)



Pratibha K. Advani
CFO
(India)



Tri Pham
Chief Strategy Officer
(Singapore)



Rangu Salgame
CEO – Growth Ventures
and Service Provider
Group (USA)



Sumeet Walia
Head Global Enterprise
Business
(India)



John Hayduk
President, Corporate
Operations
(USA)



Anthony Bartolo
President, Mobility and
UCC
(Singapore)



Madhusudhan MR
Chief Network Officer & Head
Customer Service and Ops.
(India)



Julie Woods-Moss
Chief Marketing Officer,
CEO of Nextgen Business
(UK)



Aadesh Goyal
Global Head,
Human Resources
(India)



Sunil Joshi
MD & CEO of Neotel
(South Africa)



Genius Wong
SVP Global Network Services
and Cloud enablement
(Hong Kong)



John Freeman
General Counsel
(USA)

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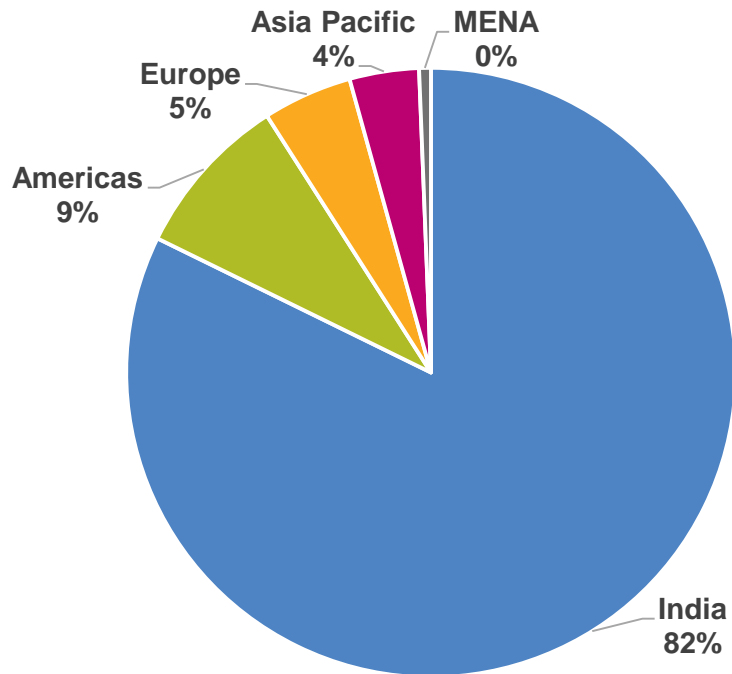
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(Country) represents where each executive is located.

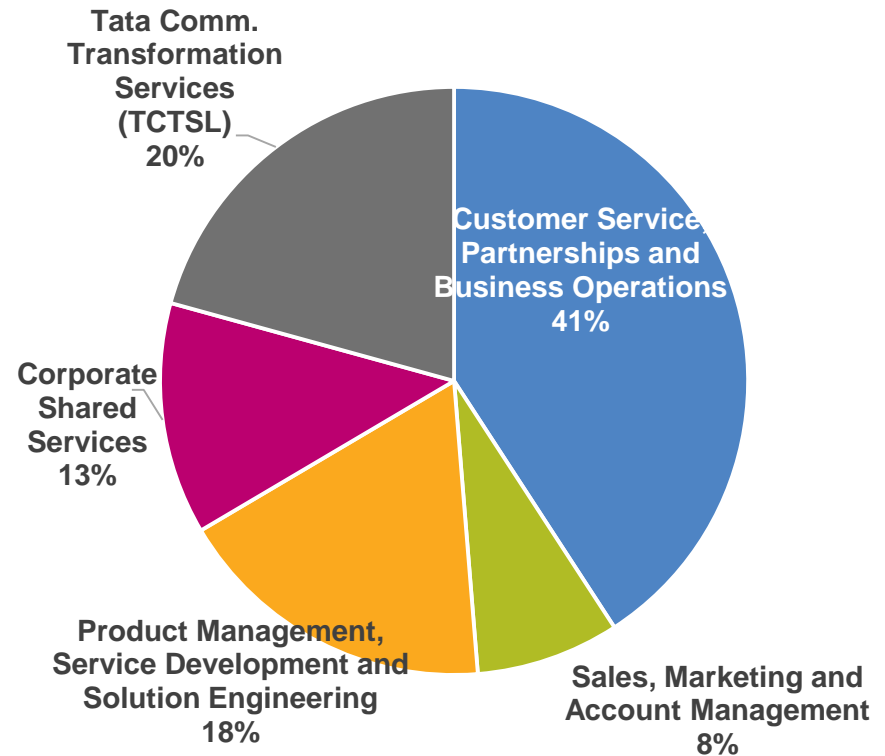
Headcount split by geography and function

8,477 Employees in Core business as on June 30, 2015*

By Geography



By Function



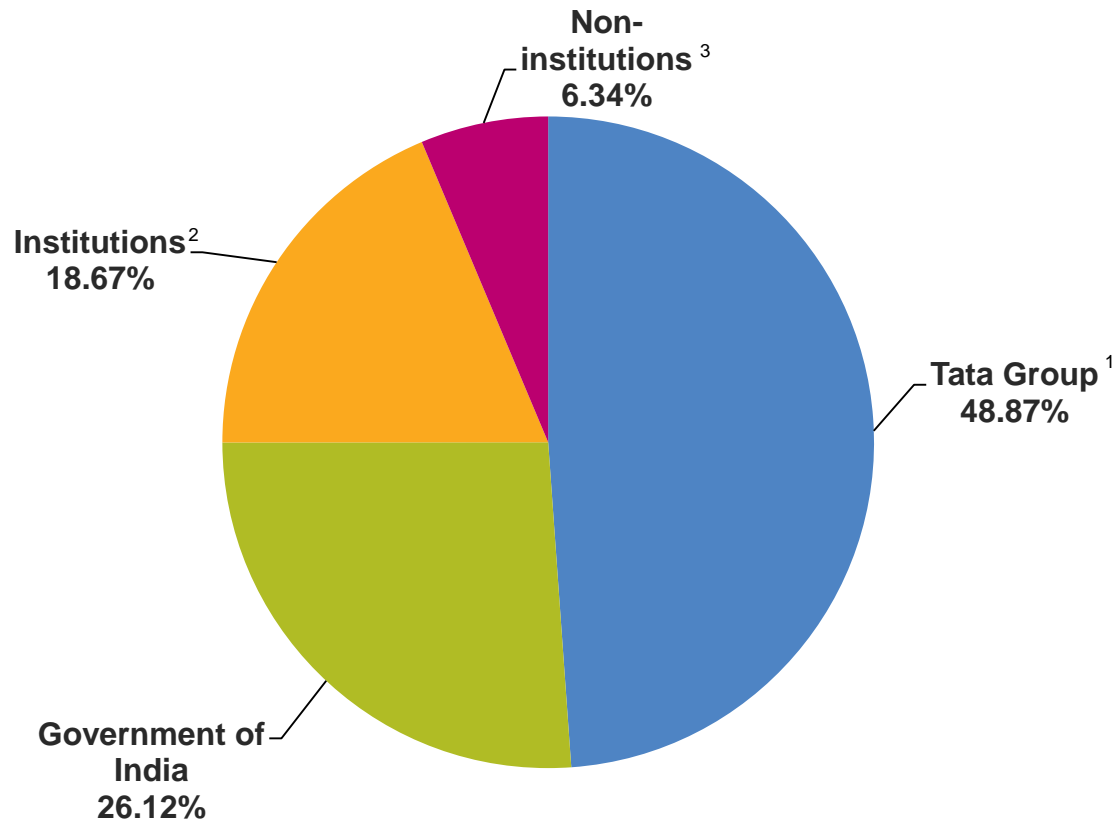
* In addition to this, the company has 971 employees in its South Africa Operations (Neotel)

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Shareholding pattern

As on June 30, 2015

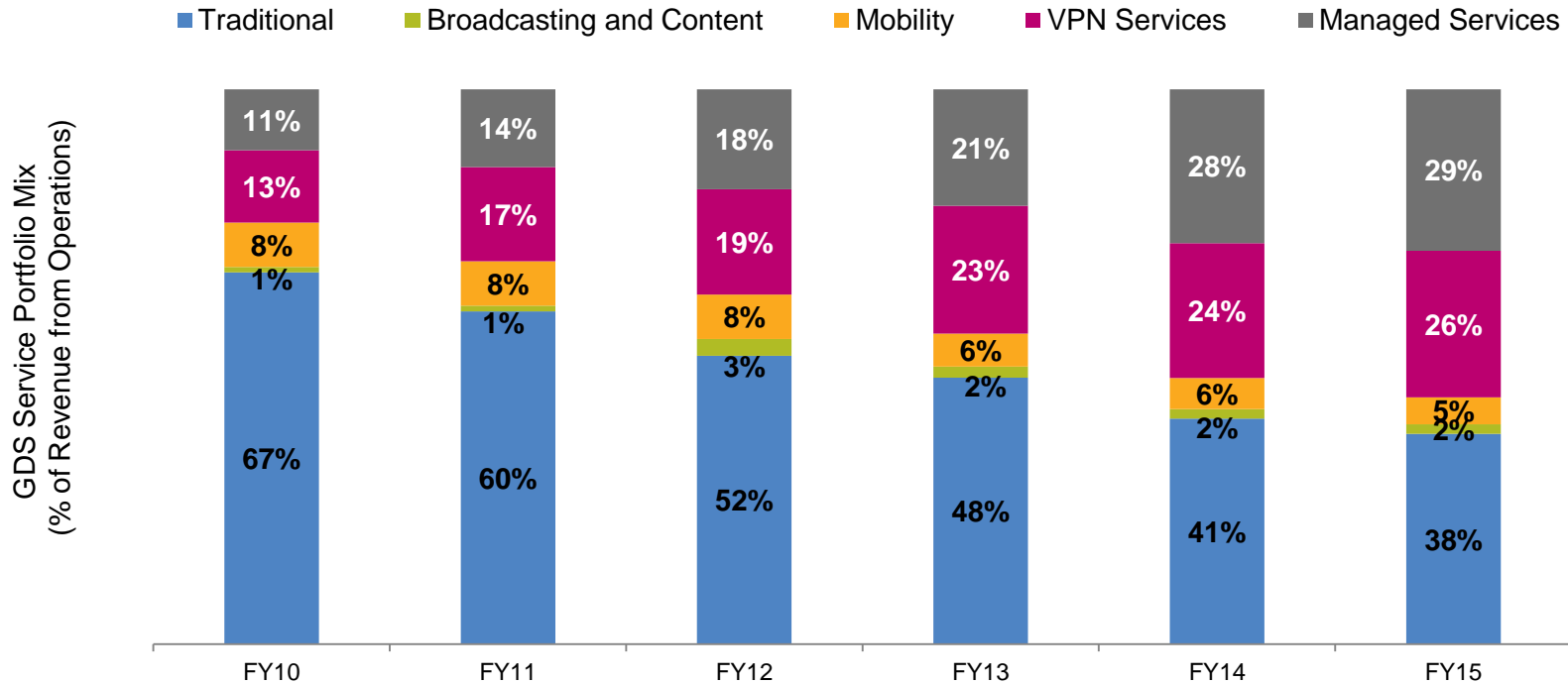


1. Tata group includes Panatone Finvest Ltd (31.10%), Tata Sons (13.07%), and Tata Power Ltd. (4.71%)
2. Institutions include Mutual funds (5.82%), Financial institutions (0.06%), Insurance companies (5.16%) and Foreign Institutional Investors (7.62%)
3. Non-institutions include individuals (4.20%), Bodies corporate (1.96%) and others (0.17%)

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As a result, Data portfolio continues to evolve beyond traditional services



Service Portfolio Traditional Services: IPL, NPL, IP-T, IRUs, ILL, DIA **Managed Services:** Data Center Services, Unified Communications and Collaboration Services (UCC), Transformation Services (TCTSL), Payment Services (TCPSL), **Mobility :** Signalling services, **VPN Services :** MPLS,VNO, Ethernet

We will continue to accelerate our success



- We have **global scale** and **reach**
- We are **building our brand** and **gaining Industry recognition**
- We are becoming embedded in the **Silicon Valley innovation ecosystem**
- We are the only **enterprise global leader** with a dedicated team **engaging the platform ecosystem**
- We are **fast, flexible** and **responsive** – our **challenger mindset** with **partnering DNA** makes us an ideal partner



We are at a strategic inflection point

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TATA COMMUNICATIONS



Vision

deliver **A New World of Communications**
to advance the reach and leadership of
our customers and partners

Raison d'être: power the internet economy and globalisation



THANK
YOU

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