



Our vision for The New World of Communications

Q2 FY2013 – Earnings Update

November 6th, 2012

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.

Highlights: Q2 FY2013

Consolidated financial highlights

- Consolidated Q2 revenues of Rs 42,710 million, up 26.6% y-o-y and 4.0% q-o-q
- Client acceleration continues at a healthy pace
 - Gained significant MNC business in Q2, up 17% y-o-y in constant currency with marquee wins
 - Made inroads in new generation businesses
 - Healthy pipeline build up – GDS sales funnel up 86% y-o-y
- Managed services maintain traction growing at 26% y-o-y during Q2
- Q2 Consolidated Operating EBITDA margins lower by 390 bps y-o-y and 270 bps q-o-q to 10.3% due to
 - Impact due to regulatory changes (WPC Wimax charges and increase in license fee rate)
 - One time actuarial loss on Canada pension fund
 - Unfavorable settlements in Global Voice Services as compared to positive settlements previous quarter
 - Increased sales spending and investments for future growth

Highlights: Q2 FY2013

Consolidated financial highlights

- Due to these, Q2 FY13 financial performance understates operational performance and health of business
- H1 FY13 over H1 FY12 is a better reflection of steady state operational performance of the business
 - 26% growth in consolidated revenues and 21% growth in operating EBITDA
 - Operating EBITDA margins of 11.6% in H1 FY13 compared to 12.1% in H1 FY12
 - Normalizing for changes in external environment (revision in fee from regulators etc.) and one-offs (Canada Pension impact etc.) business is performing at a better level

Highlights: Q2 FY2013

Segment highlights

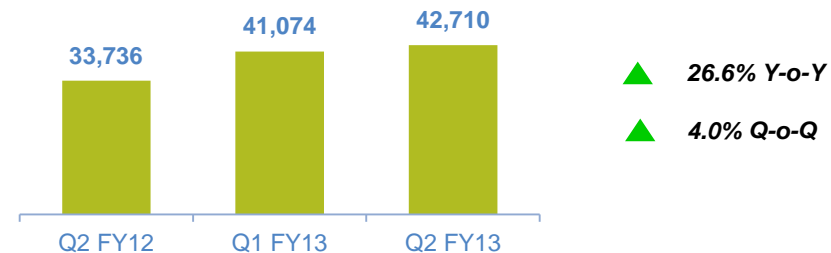
- Voice (GVS)
 - ILD volumes continue to grow faster than industry average, Q2 volume up 16% y-o-y.
 - Overall, Net Revenue per Minute (NRPM) have declined sequentially, largely impacted by one-offs
- Data (GDS)
 - 25% revenue growth y-o-y, up 5% sequentially
 - Continue to see good demand traction with strong pipeline build-up
 - Continued investments for future growth (sales, marketing, network expansion, product development) have impacted profitability
- Start-up (primarily Neotel)
 - 6% sequential revenue growth and double digit EBITDA margins
 - Investments in accelerating growth continues

Consolidated Financial Performance – Q2 FY2013

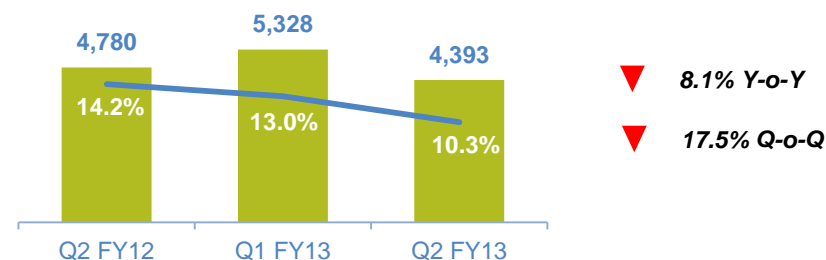
INR Mn

Particulars	Q2 FY 2012	Q1 FY 2013	Q2 FY 2013
Revenue from operations	33,736	41,074	42,710
Operating EBITDA	4,780	5,328	4,393
<i>Operating EBITDA %</i>	14.2%	13.0%	10.3%
Operating EBIT	440	38	(914)
<i>Operating EBIT %</i>	1.3%	0.1%	-2.1%
PBT	(2,098)	(893)	(2,708)
<i>PBT (% of total income)</i>	-6.2%	-2.1%	-6.3%
PAT	(1,652)	(1,429)	(2,742)
<i>PAT (% of total income)</i>	-4.9%	-3.4%	-6.4%

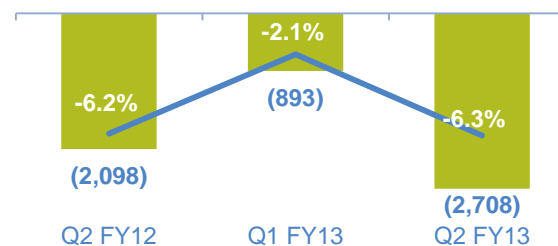
Revenue From Operations



Operating EBITDA (% of Gross Revenue)



Profit Before Tax (PBT)

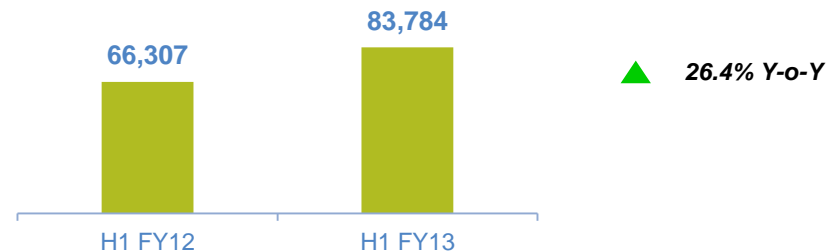


Consolidated Financial Performance – H1 FY2013

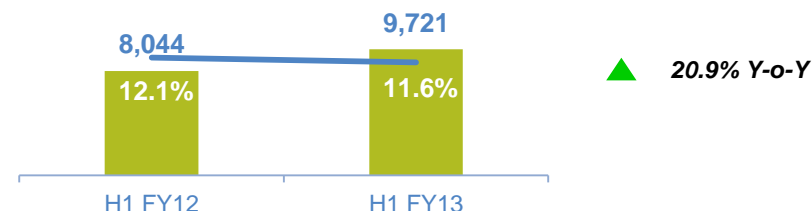
INR Mn

Particulars	H1 FY 2012	H1 FY 2013
Revenue from operations	66,307	83,784
Operating EBITDA	8,044	9,721
<i>Operating EBITDA %</i>	<i>12.1%</i>	<i>11.6%</i>
Operating EBIT	(501)	(876)
<i>Operating EBIT %</i>	<i>-0.8%</i>	<i>-1.0%</i>
PBT	(4,678)	(3,601)
<i>PBT (% of total income)</i>	<i>-7.0%</i>	<i>-4.2%</i>
PAT	(3,807)	(4,171)
<i>PAT (% of total income)</i>	<i>-5.7%</i>	<i>-4.9%</i>

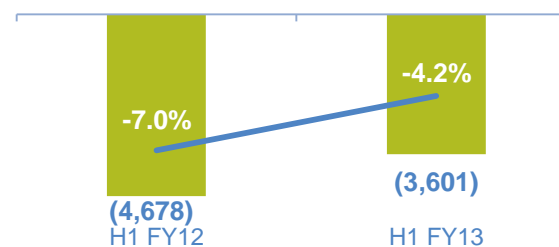
Revenue From Operations



Operating EBITDA (% of Gross Revenue)



Profit Before Tax (PBT)



Financial Performance by Segment – Q2 FY 2013

INR Mn

	CORE			STARTUP			CONSOLIDATED		
	Q2 FY 2012	Q1 FY 2013*	Q2 FY 2013	Q2 FY 2012	Q1 FY 2013	Q2 FY 2013	Q2 FY 2012	Q1 FY 2013*	Q2 FY 2013
Gross Revenues	29,079	36,464	37,840	4,657	4,610	4,870	33,736	41,074	42,710
Y-o-Y Growth			30.1%			4.6%			26.6%
Q-o-Q Growth			3.8%			5.6%			4.0%
EBITDA	4,687	4,734	3,878	93	594	516	4,780	5,328	4,393
Y-o-Y Growth			-17.3%			454.8%			-8.1%
Q-o-Q Growth			-18.1%			-13.1%			-17.5%
EBIT	1,073	241	(823)	(633)	(204)	(91)	440	38	(914)
PBT	473	262	(1,637)	(2,571)	(1,154)	(1,072)	(2,098)	(893)	(2,708)
PAT after Minority Interest	185	(273)	(1,828)	(1,837)	(1,155)	(915)	(1,652)	(1,429)	(2,742)

* Q1 FY13: PBT includes an amount of Rs. 1105 million being reversal of a provision made in earlier year (Rs 272 million) and an interest of Rs. 833 million calculated on Penalty consequent to a favorable order from TDSAT.

Rs/\$ Exchange rate: Q2 FY12 at 45.74; Q1 FY13 at 53.98; Q2 FY13 at 55.21 ZAR/\$: Q2 FY12 7.12 at; Q1 FY13 at 8.12; Q2 FY13 at 8.26

Financial Performance by Segment – H1 FY 2013

INR Mn

	CORE		STARTUP		CONSOLIDATED	
	H1 FY 2012	H1 FY 2013	H1 FY 2012	H1 FY 2013	H1 FY 2012	H1 FY 2013
Gross Revenues	57,842	74,305	8,465	9,479	66,307	83,784
Y-o-Y Growth		28.5%		12.0%		26.4%
EBITDA	8,537	8,612	(493)	1,109	8,044	9,721
Y-o-Y Growth		0.9%		NM		20.9%
EBIT	1,391	(582)	(1,891)	(294)	(501)	(876)
PBT	422	(1,375)	(5,100)	(2,226)	(4,678)	(3,601)
PAT after Minority Interest	(79)	(2,100)	(3,728)	(2,071)	(3,807)	(4,171)

Rs/\$ Exchange rate: Q2 FY12 at 45.74; Q1 FY13 at 53.98; Q2 FY13 at 55.21 ZAR/\$: Q2 FY12 7.12 at; Q1 FY13 at 8.12; Q2 FY13 at 8.26

Core Business by Business Unit – Q2 FY 2013

INR Mn

	Global Voice Services (GVS)			Global Data Services (GDS)		
	Q2 FY 2012	Q1 FY 2013	Q2 FY 2013	Q2 FY 2012	Q1 FY 2013	Q2 FY 2013
Gross Revenues	15,758	20,485	21,138	13,321	15,980	16,703
Y-o-Y Growth			34.1%			25.4%
Q-o-Q Growth			3.2%			4.5%
Net Revenue	2,760	3,704	3,309	10,706	12,547	12,866
Y-o-Y Growth			19.9%			20.2%
Q-o-Q Growth			-10.7%			2.5%
EBITDA¹	1,221	1,950	1,289	3,466	2,784	2,588
EBITDA %	7.7%	9.5%	6.1%	26.0%	17.4%	15.5%

¹ Management estimates based on internal MIS and cost allocation assumptions

Core Business by Business Unit – H1 FY 2013

INR Mn

	Global Voice Services (GVS)		Global Data Services (GDS)	
	H1 FY 2012	H1 FY 2013	H1 FY 2012	H1 FY 2013
Gross Revenues	31,881	41,622	25,961	32,682
Y-o-Y Growth		30.6%		25.9%
Net Revenue	5,427	7,012	21,003	25,413
Y-o-Y Growth		29.2%		21.0%
EBITDA¹	2,186	3,239	6,351	5,373
EBITDA %	6.9%	7.8%	24.5%	16.4%

¹ Management estimates based on internal MIS and cost allocation assumptions

Debt Profile

USD Mn

Debt Profile	Core	
	As on Jun 30, 2012	As on Sep 30, 2012
Foreign Currency Loans	1,372	1,386
Rupee Loans	233	245
Avg. Cost of Loans*	5.07%	4.99%
Total Gross Debt	1,605	1,631
Cash & Cash Equivalent	84	57
Net Debt	1,521	1,574

* Average cost of Loans during the quarter

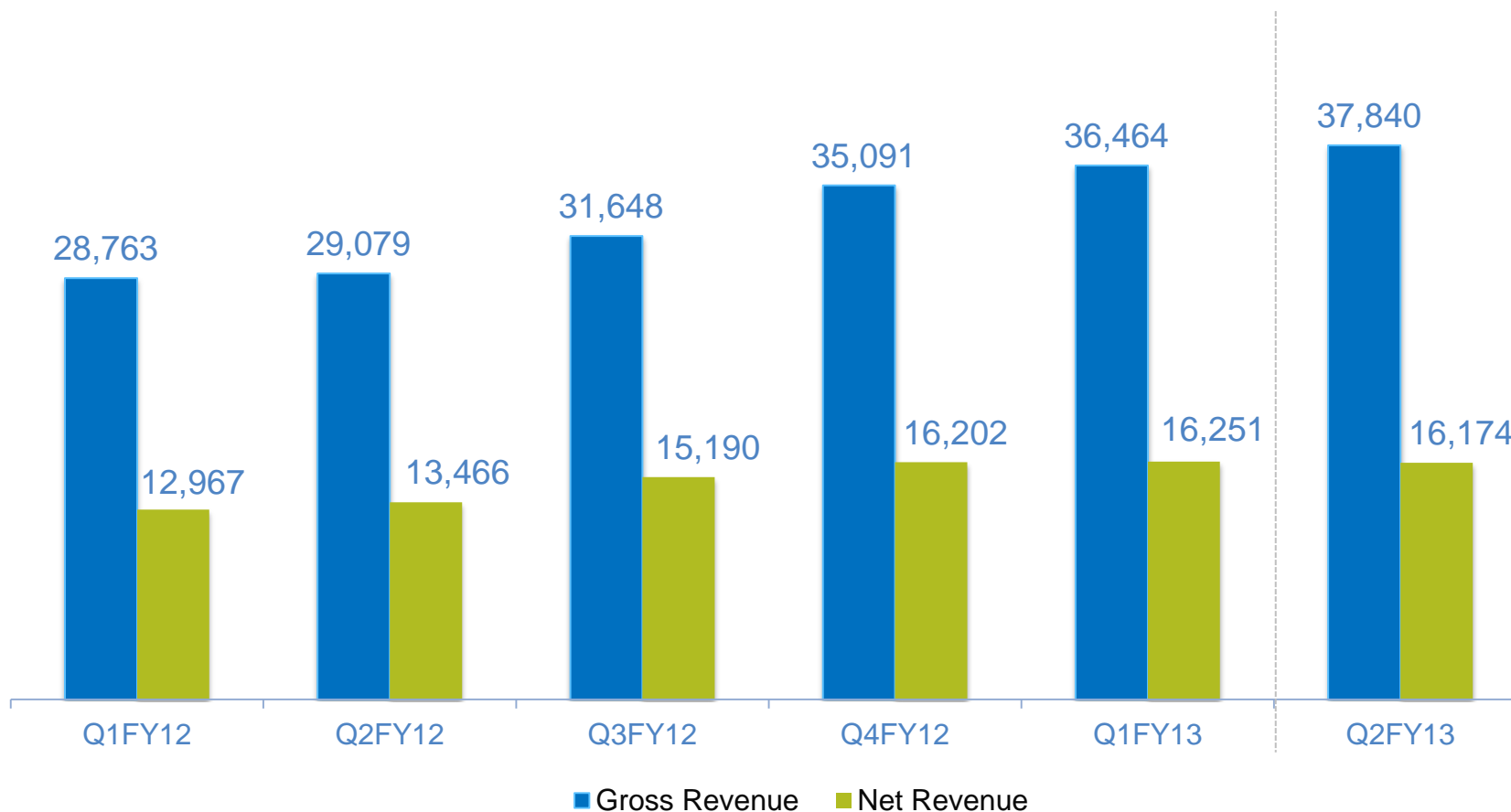
Rs/\$ Exchange rate: as on 30th Jun, 2012 – 55.89, as on 30th Sep, 2012 – 52.74



Thank You

Core Business Gross and Net Revenues

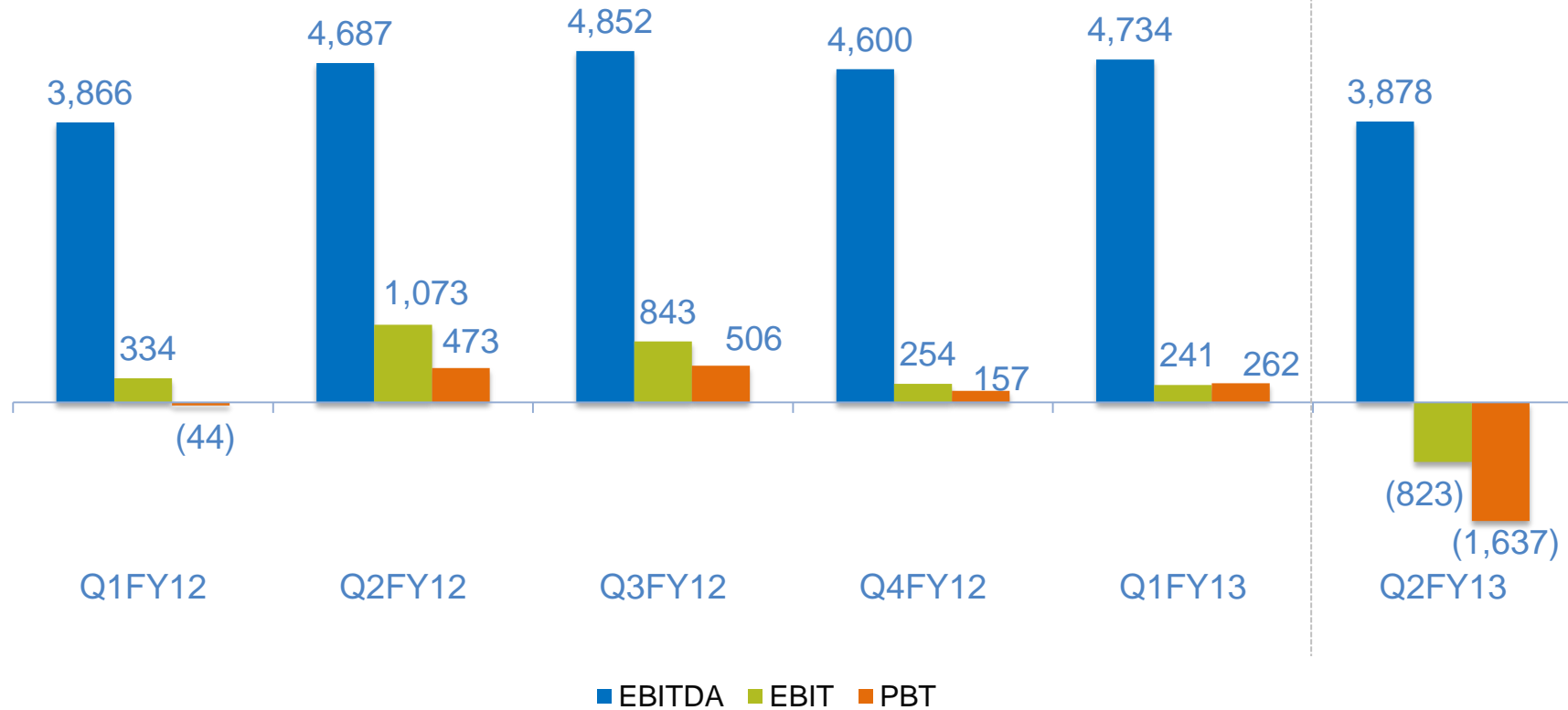
INR Mn



Rs/\$ Exchange rate: 1Q'12 at 44.73; 2Q'12 at 45.74; 3Q'12 at 50.84; 4Q'12 at 50.34; 1Q'13 at 53.98; 2Q'13 at 55.21

Core Business EBITDA, EBIT and PBT

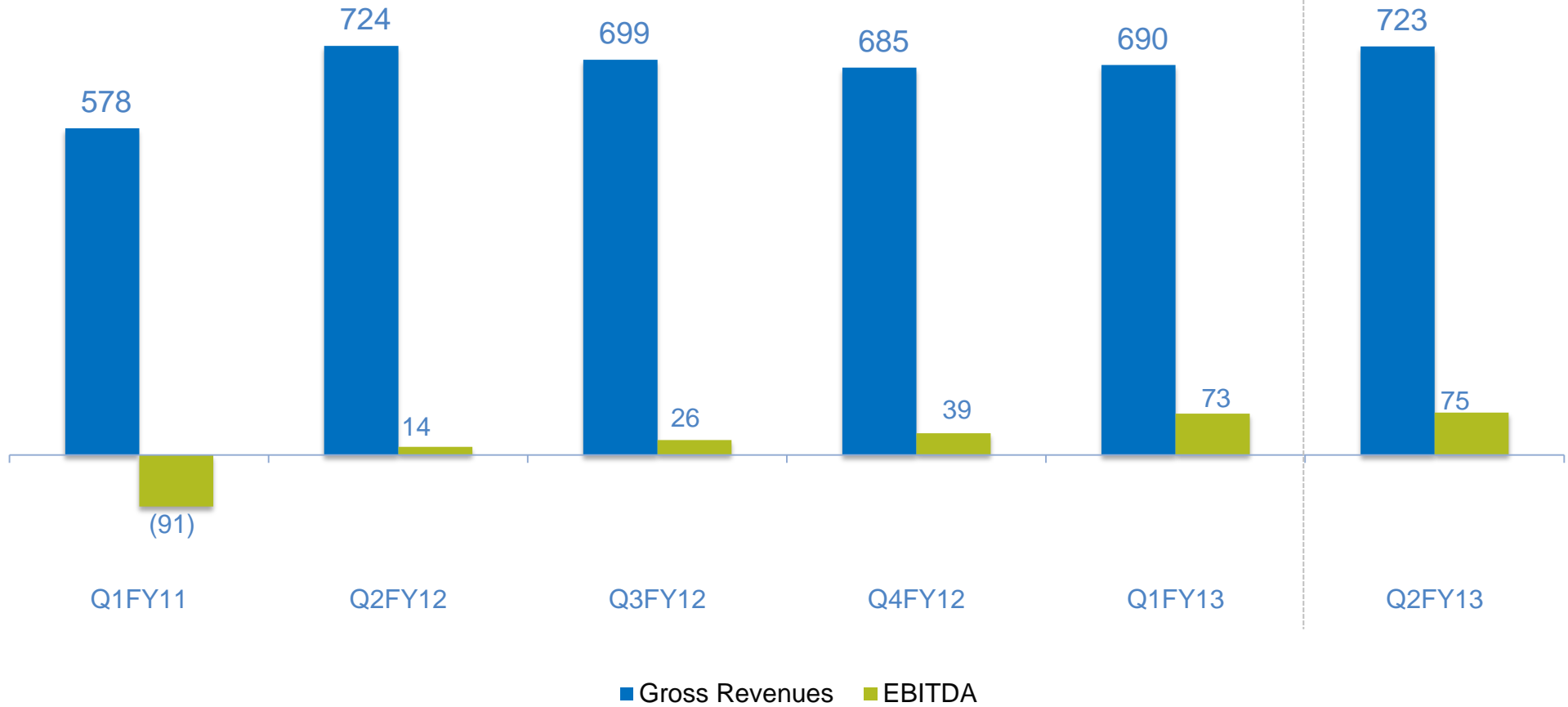
INR Mn



Rs/\$ Exchange rate: 1Q'12 at 44.73; 2Q'12 at 45.74; 3Q'12 at 50.84; 4Q'12 at 50.34; 1Q'13 at 53.98; 2Q'13 at 55.21

Quarterly trends : Neotel

ZAR Mn



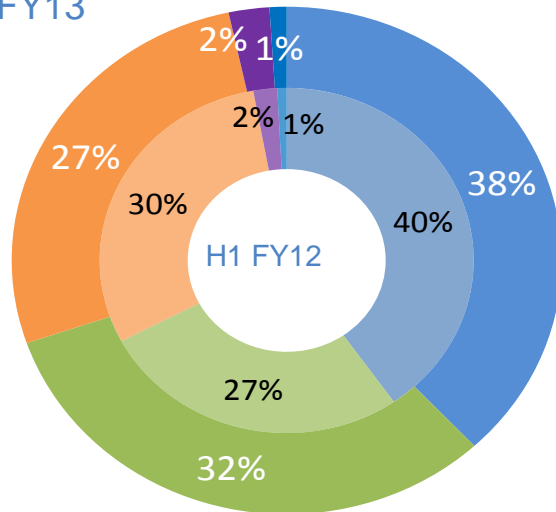
Neotel EBITDA positive from Q2 FY12 onwards

\$/Zar Exchange rate: 1Q'12 at 6.79, 2Q'12 at 7.12; 3Q'12 at 8.10; 4Q'12 at 7.77; 1Q'13 at 8.12; 2Q'13 at 8.26

GDS | YoY Gross Revenue Product Mix

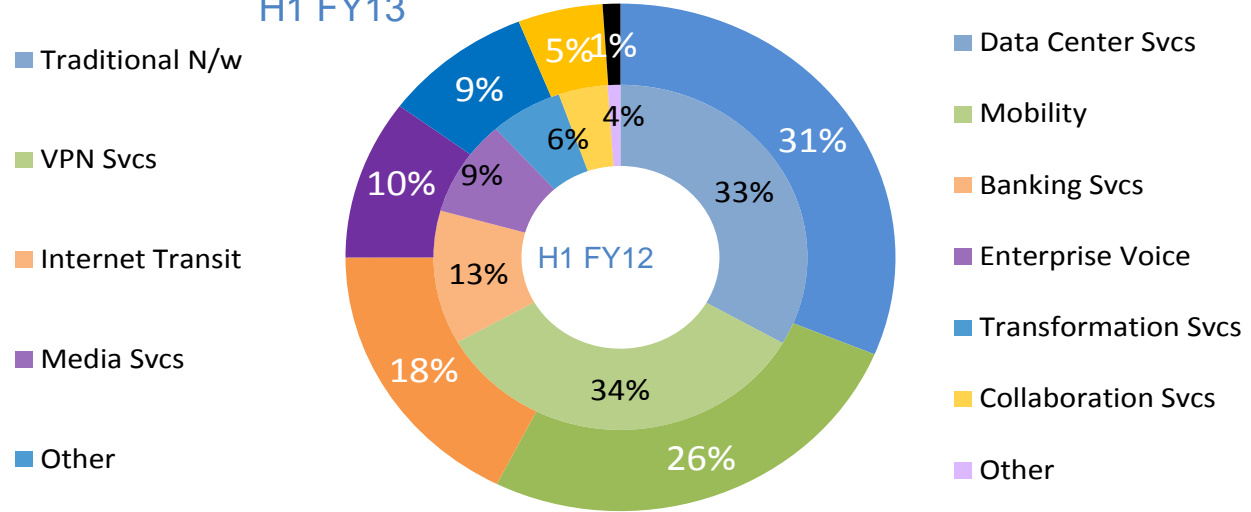
Network Services

H1 FY13



Managed Services

H1 FY13



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 Portfolio:

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

Collaboration Services: Telepresence,

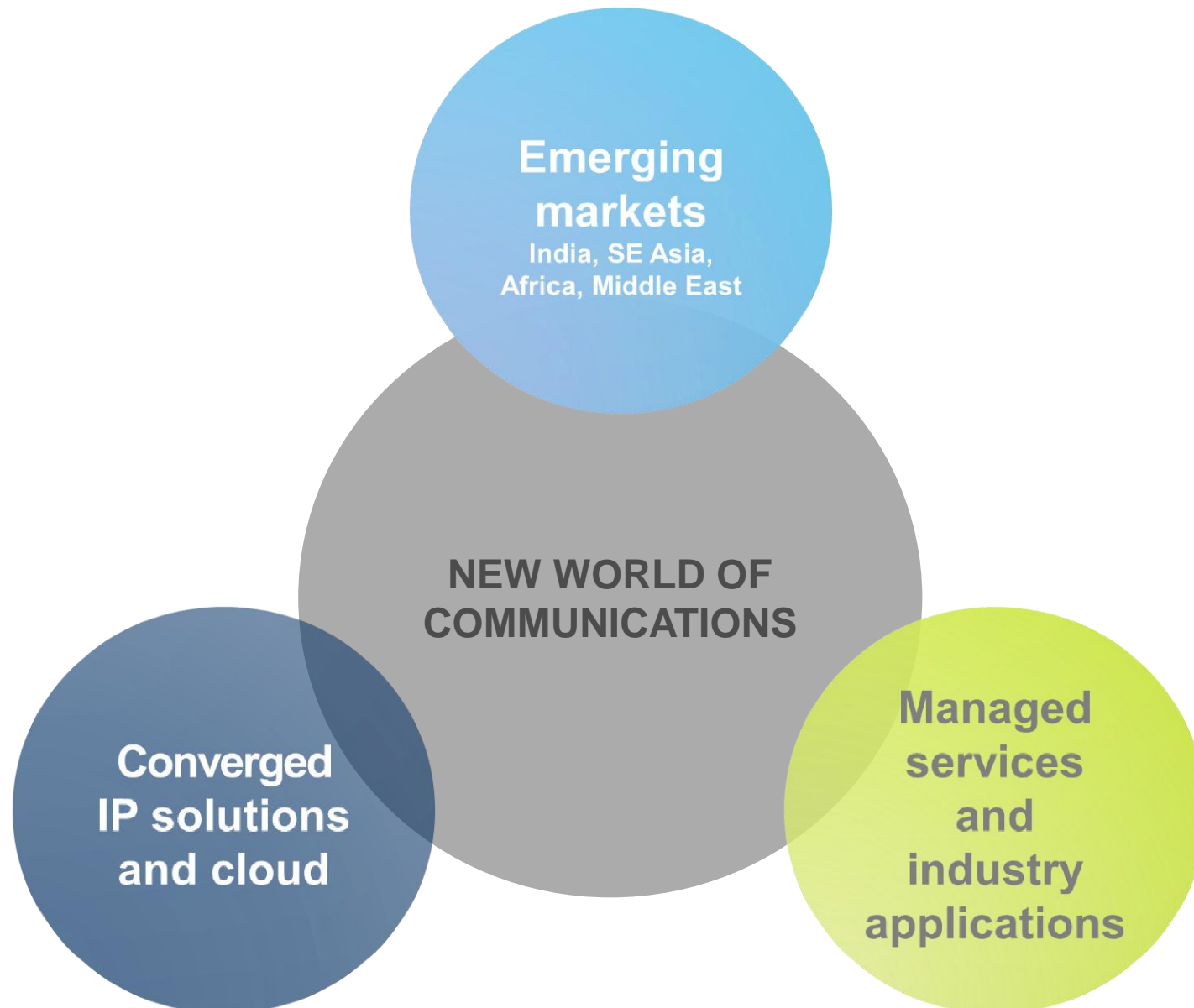
Transformation Services: TCTS

Banking Services: TCBIL

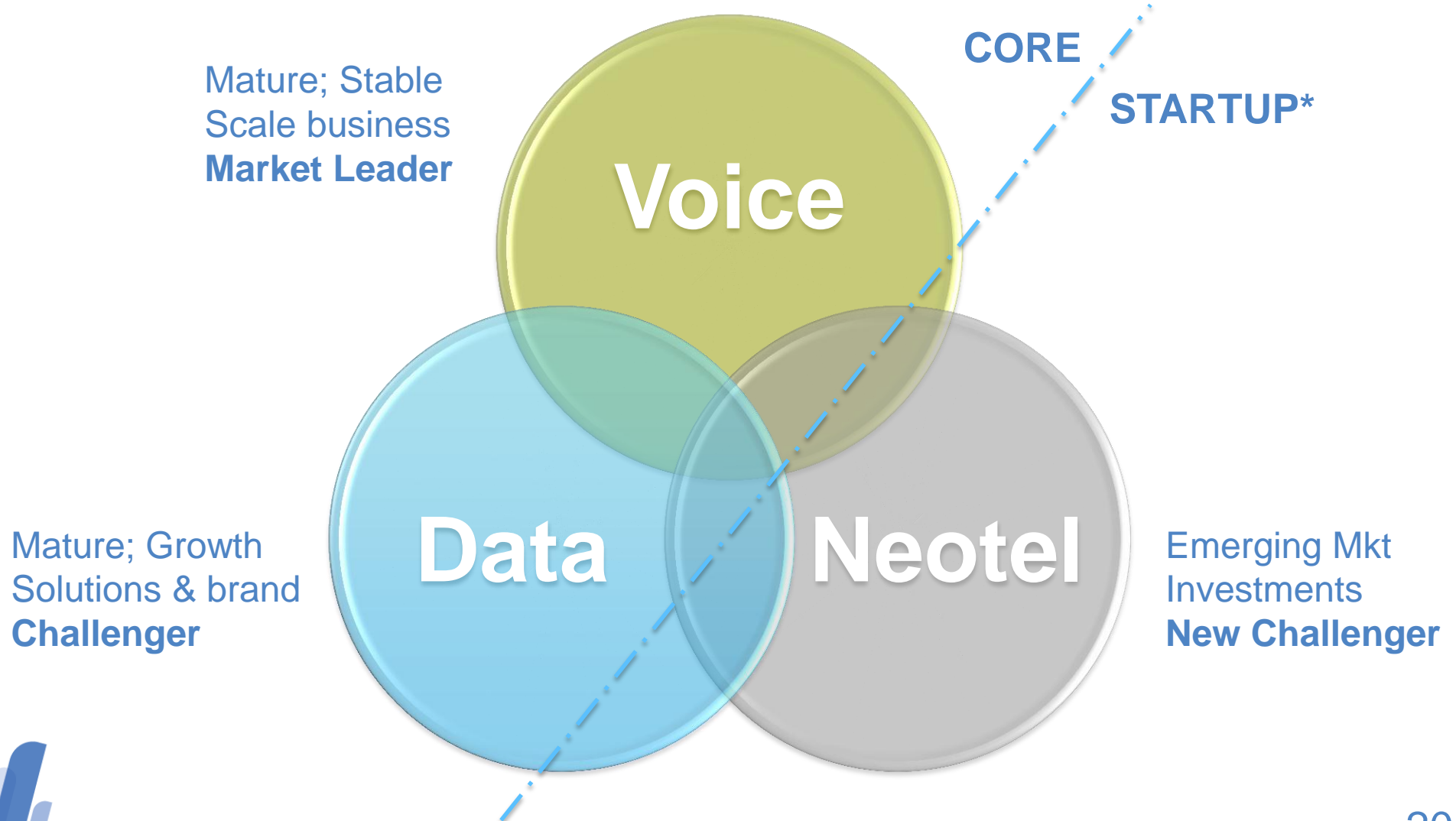
Other: MSS

**DELIVER A
NEW WORLD OF COMMUNICATIONS
TO ADVANCE THE REACH AND
LEADERSHIP OF OUR CUSTOMERS**

Our “New World of Communications” strategy



Business structure



* Startup includes consolidation of United Telecom Limited (UTL) Nepal, in addition to Neotel, South Africa

Tata Communications in numbers

45

Billion Minutes
of International
Voice Traffic

42

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

3,200

Petabits
every month on
our Internet backbone

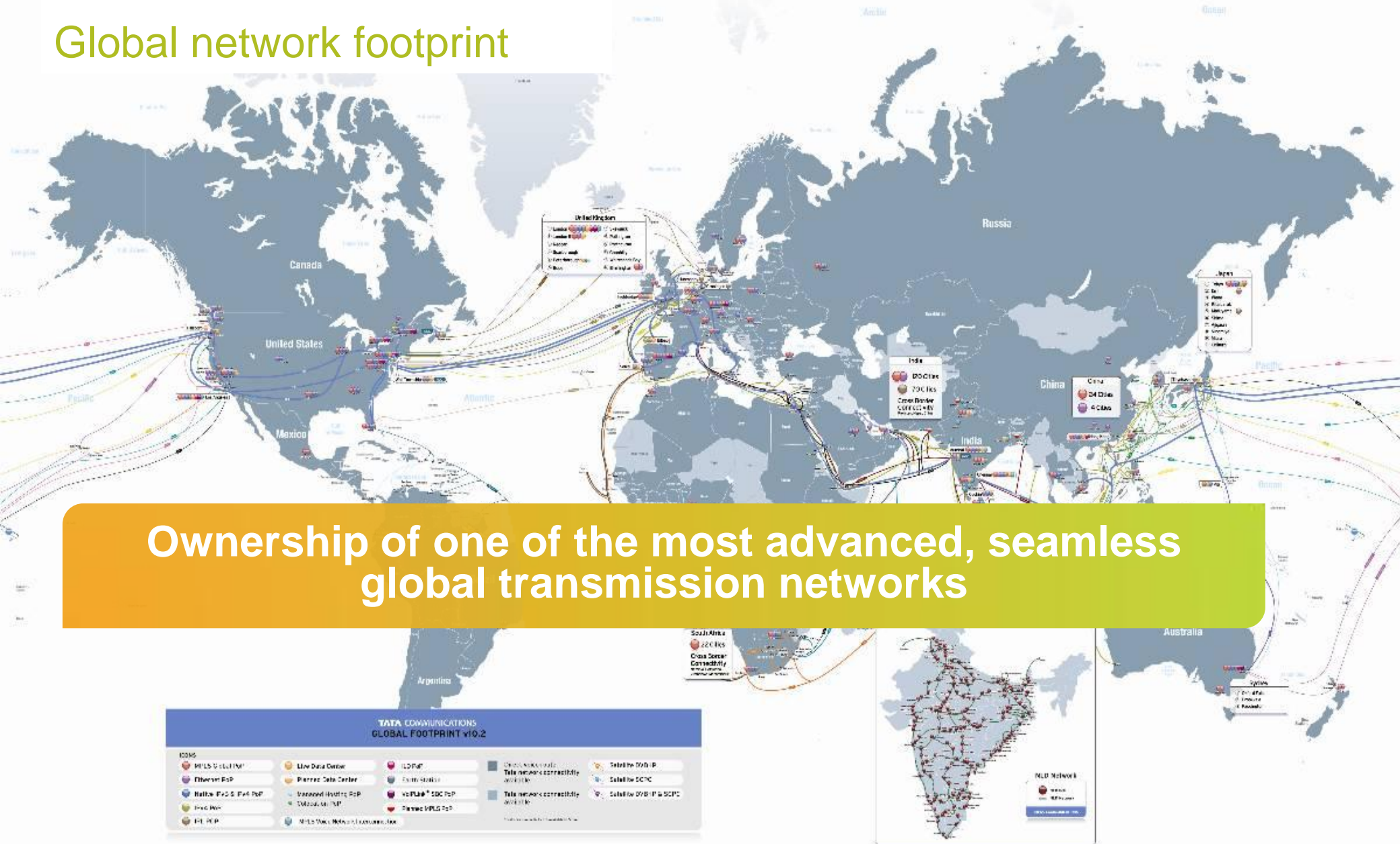
73

Million Voice Transactions
handled every day

13

Terabits
of International
Bandwidth Lit Capacity

Global network footprint

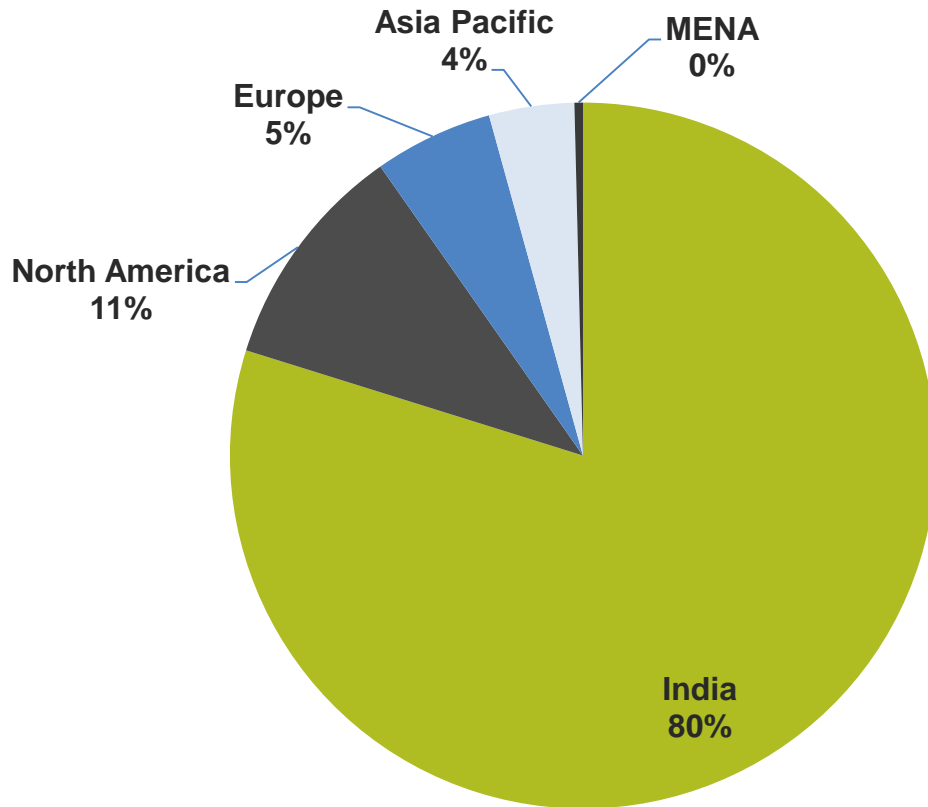


For a more interactive and detailed overview of our global network footprint, please visit <http://www.tatacommunications.com/map2/Network.html>

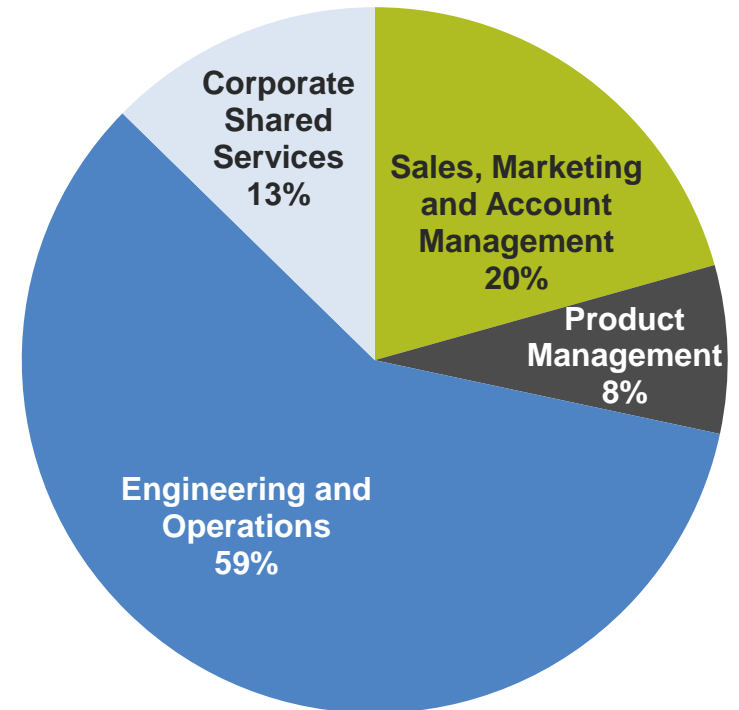
Headcount split by geography and function

6,952 Employees in Core business as on September 30, 2012*

By Geography



By Function



* In addition to this, the company has 961 employees in its South Africa Operations (Neotel)



Vinod Kumar
MD and Group CEO
(Singapore)



Sanjay Baweja
CFO
(India)



Michel Guyot
President – GVS
(Canada)



Laurie Bowen
President, Enterprise Business
(UK)



Rangu Salgame
CEO – Growth Ventures
(India)



Allan Chan
President, Global Carrier
Solution
(USA)



Sunil Joshi
MD & CEO of Neotel
(South Africa)



John Hayduk
President, Product Management
and Service Development
(USA)



Madhusudhan MR
Chief Network Officer
(India)



Srinivasa Addepalli
Chief Strategy Officer
(India)



Aadesh Goyal
Global Head, Human Resources
(India)



John Freeman
General Counsel
(Singapore)

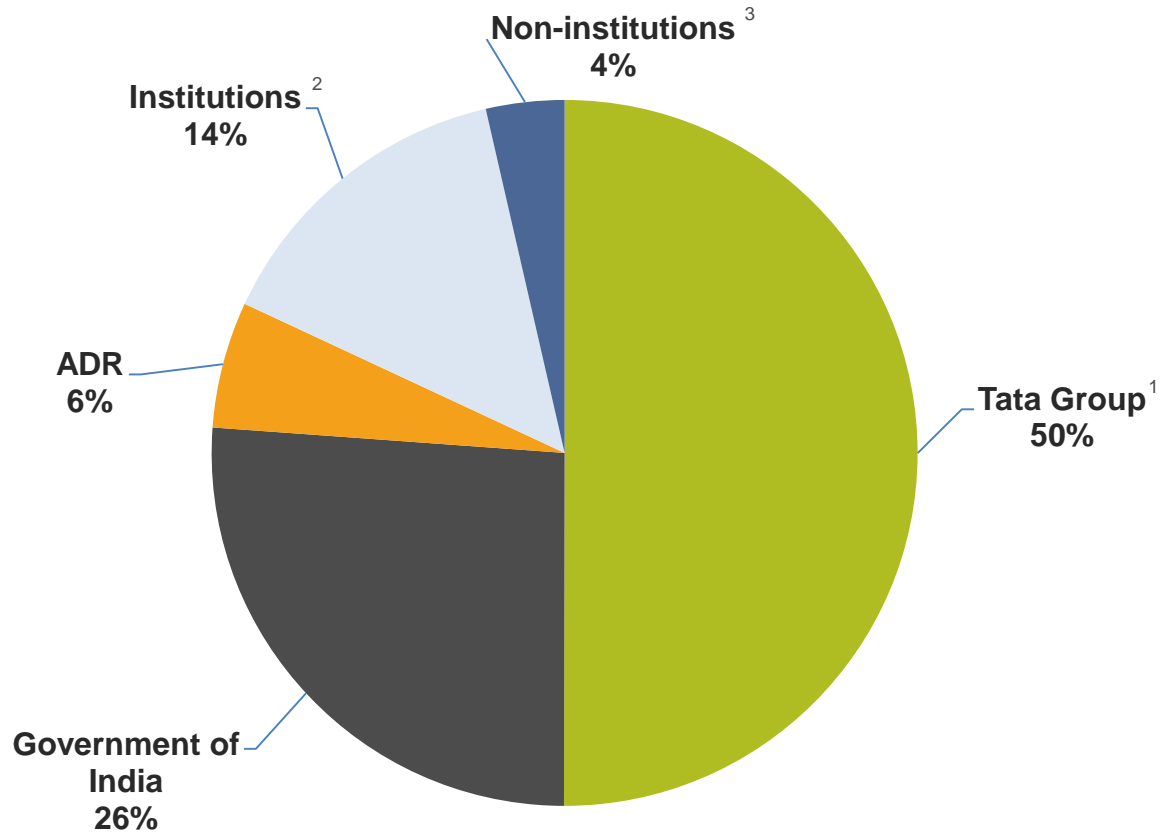


Sunil Rawal
Global Head Business
Excellence, CQO
(India)

(Country) represents
where each
executive is located.

Shareholding pattern

As on September 30, 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 (1.29%), Financial institutions (5.91%), Insurance companies (4.81%) and Foreign Institutional Investors (2.46%)
3. Non-institutions include individuals (2.79%), Bodies corporate (0.70%) and others (0.10%)