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# Q1 2008 Earnings Presentation

July 2007



## **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. VSNL does not undertake any obligation to update or revise forward looking statements, whether as a result of new information, future events or otherwise.**

# Highlights – VSNL Consolidated

## Key Financial Highlights

- EBIDTA at Rs.303 Crs. up 46% QoQ (FY07 – Rs. 1,054 Cr)
- EBIDTA Margins - 14.70% (FY07 – 12.24%)
- PBT at Rs.102 Crs up 107% QoQ (FY07 – Rs. 281 Cr)
- Revenue touched \$ 0.5 Bn marginally down 4% QoQ

## Operational Parameters

	Q1 08	Q4 07	% QoQ
<b>Voice</b>			
Traffic (Bn Minutes)	7.06	6.69	6%
Revenue ( Rs. Crores)	1,300	1,358	-4%
<b>Data</b>			
Revenue ( Rs. Crores)	667	726	-8%
<b>Others</b>			
Broadband ( Nos '000)	201	189	6%
Broadband and other Revenue ( Rs. Crores)	94	74	27%

Provisional unaudited

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# Consolidated Results FY07 – I GAAP Provisional Unaudited

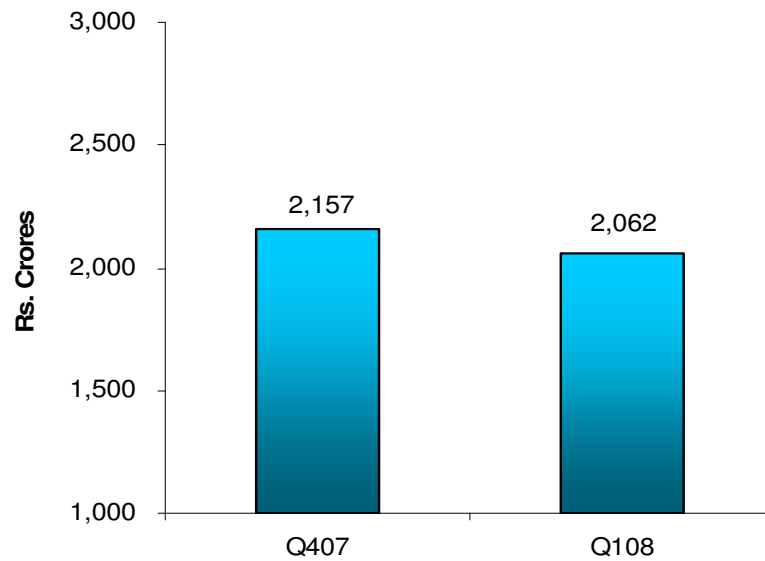
(Rs. in Crores)

Particulars	For the quarter ended June 30, 2007	For the year ended Mar 31, 2007
Revenues from Telecommunication Services	2,062	8,611
Other Income	25	238
Interest Income	2	7
<b>Total Income</b>	<b>2,089</b>	<b>8,857</b>
Total Expenditure	1,759	7,558
a. Network Costs	1,207	5,243
b. Operating and Other Expenses	336	1,449
c. Salaries and Related Costs	216	866
Interest Expense	31	144
Depreciation	197	783
<b>Profit before tax and exceptional items</b>	<b>102</b>	<b>372</b>
Exceptional Items:		
a. Expenditure on Voluntary Retirement Scheme/Voluntary Separation Scheme	-	24
b. Restructuring Costs	-	59
c. Assets written off	-	8
<b>Profit Before Tax</b>	<b>102</b>	<b>281</b>
Provision for Taxation	82	279
Current Tax	68	256
Deferred Tax	13	18
Fringe Benefit Tax	1	6
<b>Net Profit before Minority Interest</b>	<b>19</b>	<b>2</b>
Minority Interest	9	14
<b>Net Profit</b>	<b>28</b>	<b>15</b>

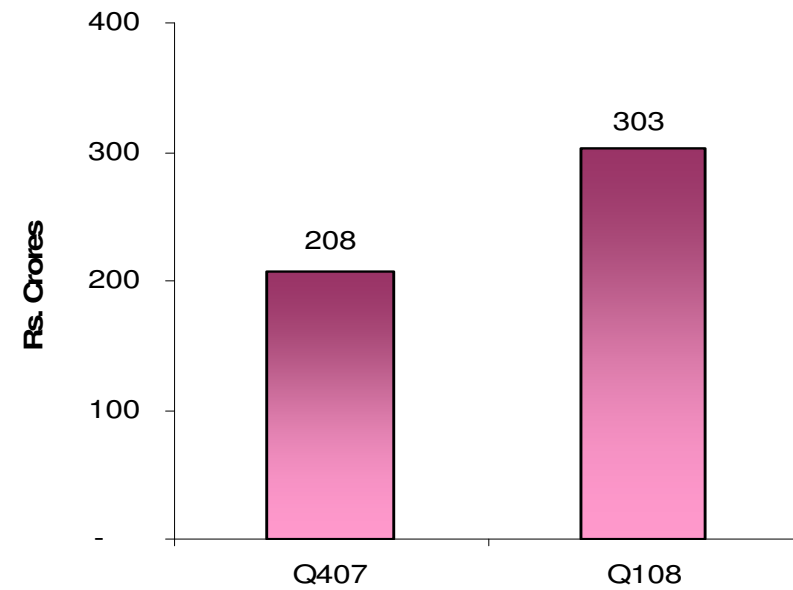
# Q1 08 Highlights

As Per Indian GAAP

Consolidated Gross Revenues (Rs Crore)



Consolidated EBITDA (Rs Crore)



Provisional unaudited

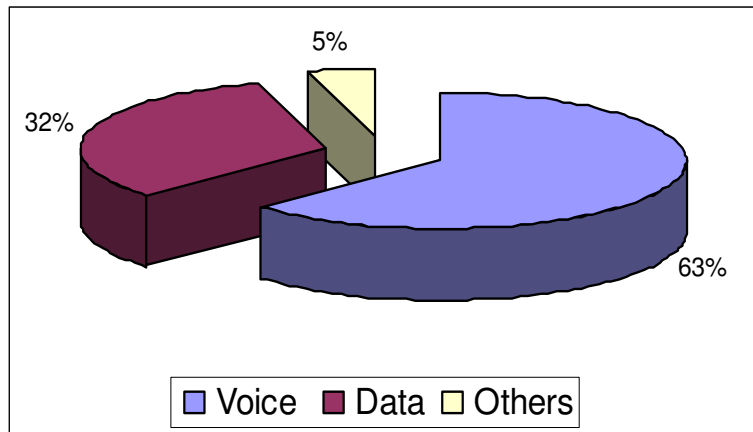
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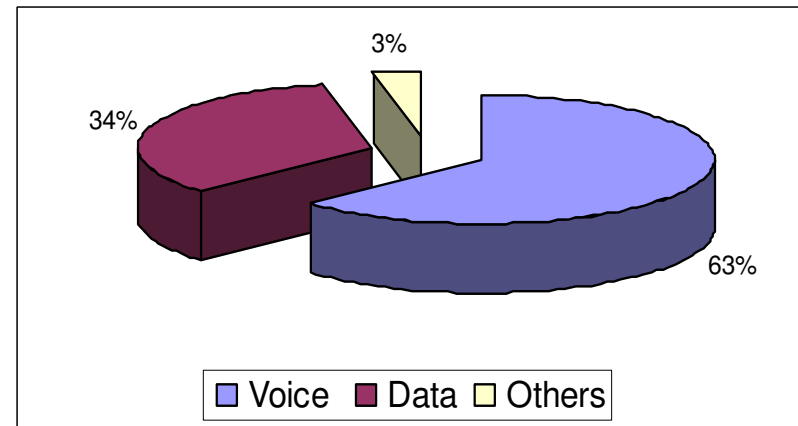


# Consolidated Revenue Mix

Q1 08



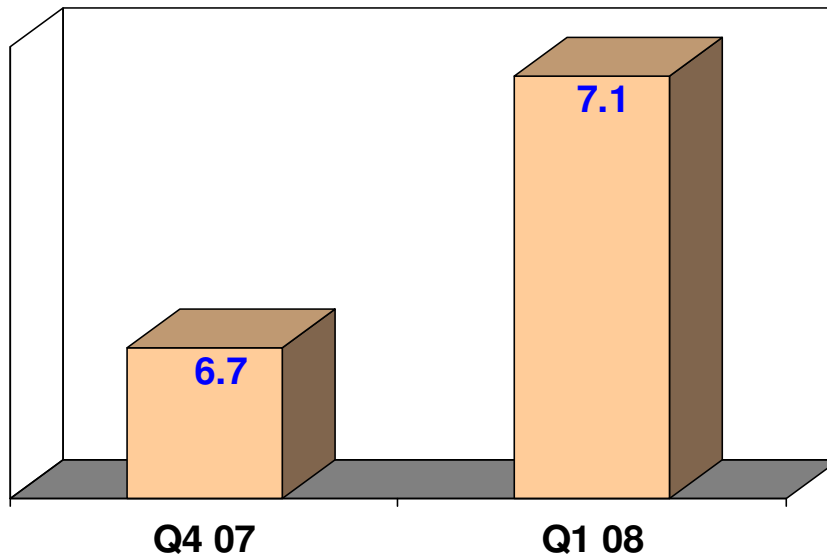
Q4 07



# Global Voice Performance

# Global Data Performance

Voice Traffic (Bn mins)

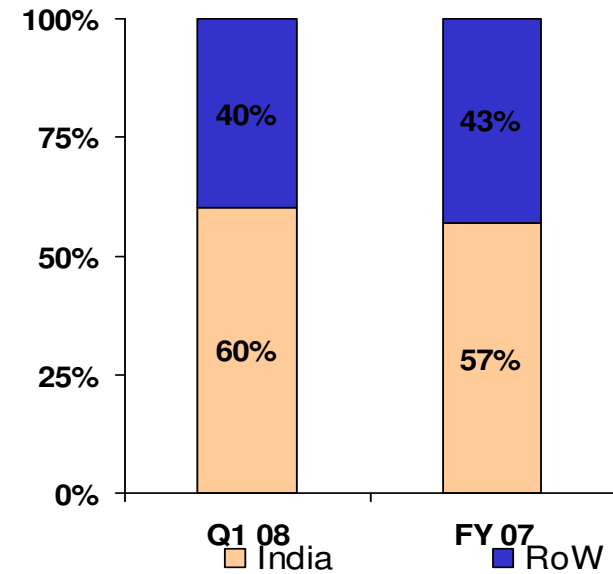


Revenue (Rs Crore)  
For the Quarter

1358

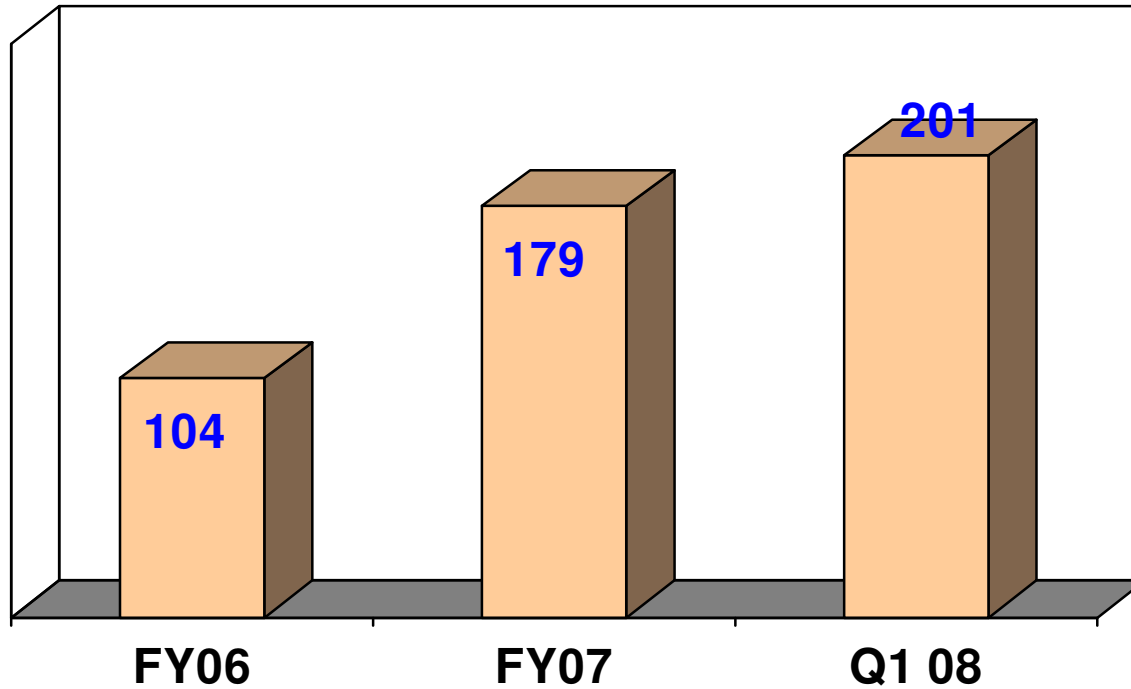
1300

Data Revenue Split %



# Retail Broadband Performance

Broadband Subscriber Base ('000s)



ARPU (Rs p.m.)

742

650

670

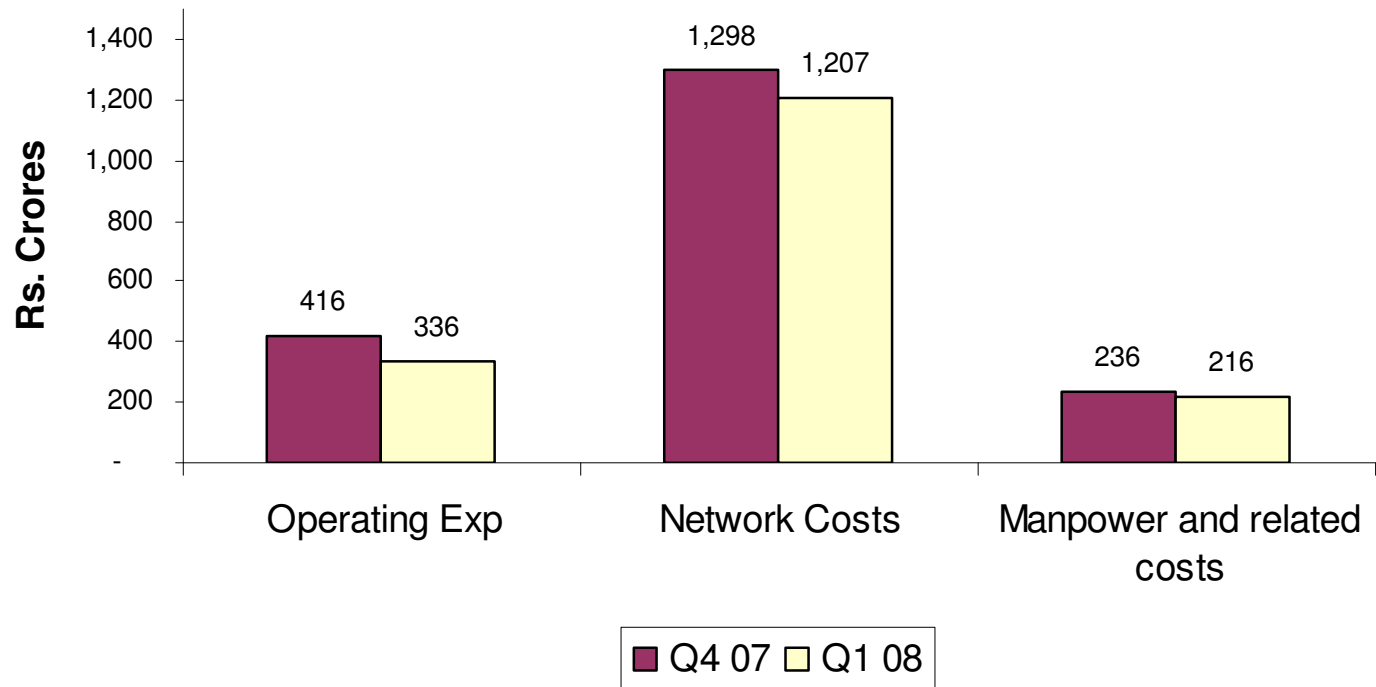
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# Consolidated Cost Trends



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**Thank You**

