



VIDESH SANCHAR NIGAM LIMITED

REGD. OFFICE: VIDESH SANCHAR BHAVAN, M.G. ROAD, MUMBAI-400001.

A. UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007

(Rs. in crores)

	Particulars	For the quarter ended September 30,		For the six months ended September 30,		For the year ended March 31
		2007	2006	2007	2006	2007
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
1	Revenues from Telecommunication Services	947.74	966.19	1,958.36	1,895.46	4,041.83
2	Other Income	40.20	36.88	66.83	60.66	202.74
3	Total Income (1 + 2)	987.94	1,003.07	2,025.19	1,956.12	4,244.57
4	Expenditure					
	a. Network Costs	562.97	540.67	1,127.84	1,070.70	2,204.47
	b. Operating and Other Expenses	165.37	154.62	311.81	284.92	663.07
	c. Salaries and Related Costs	67.17	58.09	133.79	117.17	243.69
	d. Depreciation and Amortisation	99.44	90.49	192.33	195.34	391.33
	e. Total Expenditure (4a to 4d)	894.95	843.87	1,765.77	1,668.13	3,502.56
5	Interest (net)	8.77	1.41	7.52	3.42	2.53
6	Profit before taxes and exceptional items (3 - 4e + 5)	101.76	160.61	266.94	291.41	744.54
7	Exceptional Items:					
	a. Expenditure on Voluntary Retirement Scheme/Voluntary Separation Scheme	-	-	-	-	23.86
	b. Fixed Assets written off	11.70	-	11.70	-	8.05
8	Profit Before Taxes (6 - 7)	90.06	160.61	255.24	291.41	712.63
9	Tax Expense	28.64	53.69	89.67	96.39	244.07
10	Net Profit (8 - 9)	61.42	106.92	165.57	195.02	468.56
11	Paid up Equity Share Capital (Face value of Rs.10 per share)	285.00	285.00	285.00	285.00	285.00
12	Reserves excluding revaluation reserve	-	-	-	-	5,865.59
13	Earnings per Share (EPS)					
	a. Basic and diluted earnings per share before exceptional items (Rs.) (not annualised)	2.43	3.75	6.08	6.84	17.18
	b. Basic and diluted earnings per share including exceptional items (Rs.) (not annualised)	2.15	3.75	5.81	6.84	16.44
14	Aggregate of public shareholding					
	a. Number of shares	49,860,294	50,547,570	49,860,294	50,547,570	50,119,540
	b. Percentage of shareholding	17.49	17.74	17.49	17.74	17.59

B. SEGMENT INFORMATION:

(Rs. in crores)

Particulars	For the quarter ended September 30,		For the six months ended September 30,		For the year ended March 31
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)	2007 (audited)
Revenues from Telecommunication Services					
Wholesale Voice	503.07	506.77	1,033.67	1,044.71	2,216.86
Enterprise and Carrier Data	309.12	354.77	652.14	643.58	1,380.66
Others	135.55	104.65	272.55	207.17	444.31
Total	947.74	966.19	1,958.36	1,895.46	4,041.83
Segment result					
Wholesale Voice	46.14	44.67	121.92	171.68	423.03
Enterprise and Carrier Data	256.27	296.14	547.70	518.81	1,134.11
Others	60.33	46.42	135.05	66.54	146.67
Total	362.74	387.23	804.67	757.03	1,703.81
Less:					
(i) Interest (net)	8.77	1.41	7.52	3.42	2.53
(ii) Other Unallocable Expense (net)	(269.75)	(228.03)	(545.25)	(469.04)	(961.80)
Profit before tax and exceptional items	101.76	160.61	266.94	291.41	744.54
Exceptional expenses	11.70	-	11.70	-	31.91
Profit before taxes	90.06	160.61	255.24	291.41	712.63
Tax Expense	28.64	53.69	89.67	96.39	244.07
Profit after tax	61.42	106.92	165.57	195.02	468.56

Notes to Segments:

The Company's reportable segments are Wholesale Voice, Enterprise and Carrier Data and Others.

Revenues and expenses, which are directly identifiable to segments, are attributed to the relevant segment. Expenses on rent of satellite channels and landlines, and royalty and licence fee are allocated on the basis of usage. Segment result is segment revenues less segment expenses. Certain costs, including depreciation which is not allocable to segments have been classified as "other unallocable expense".

Telecommunication services are provided utilizing the Company's assets which do not generally make a distinction between the types of services. As a result, fixed assets are used interchangeably between segments. In the absence of a meaningful basis to allocate assets and liabilities between segments, no allocation has been made.

Notes:

1. The above results for the quarter and half year ended September 30, 2007 have been subjected to a limited review by the statutory auditors, recommended by the audit committee and were taken on record and approved by the Board of Directors of the Company at their meeting held on October 31, 2007.
2. The Board of Directors of the Company in their meeting held on March 14, 2007 had approved a Scheme of Arrangement ("Scheme") to hive-off its Retail Business Undertaking to its wholly owned subsidiary, VSNL Internet Services Ltd. (formerly DIL Internet Limited). In continuation of this process, as per the order dated June 15, 2007 of the Honorable High Court of Judicature at Bombay the Company had convened a meeting of its Equity shareholders and unsecured creditors on August 02, 2007. Equity shareholders and creditors have approved the scheme unanimously. Matter is pending before the High Court for further directions.
3. The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.
4. Investor Complaint status:

Outstanding as on July 1, 2007	Total received during the quarter ended September 30, 2007	Total resolved during the quarter ended September 30, 2007	Outstanding as on September 30, 2007
Nil	1	1	Nil

For Videsh Sanchar Nigam Limited

N. SRINATH
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Place : Mumbai.
Date : October 31, 2007