

TATA COMMUNICATIONS

Investor Fact Sheet - Q4 and FY2014

S. No.	Index
1	Consolidated profit & loss statement for the quarter and year ended March 31, 2014
2	Debt profile as on March 31, 2014
3	Profitability of Core Business and Startup Business
4	Consolidated Operating Metrics
5	Global Voice Services (GVS) Operating metrics
6	Global Data Services (GDS) Operating metrics
7	Exchange rates

Notes

1. The financial and operating information in this document refer to consolidated financial statements and business, unless specified otherwise.
2. This document contains management estimates based on internal MIS and cost allocation assumptions. While these measures provide additional information in understanding the performance of the businesses, they should not be viewed in isolation or as replacements for, or alternatives to the published Indian GAAP financials.
3. Q3 FY14, Q4 FY14 and FY14 includes an other operating income which has been shown below EBIT line and has been excluded from revenue growth and operating margin (EBITDA, EBIT) calculations.
4. Core business refers to the company's Global Voice Services (GVS) and Global Data Services (GDS) collectively.
5. Startup business refers to the Company's South African Operations (Neotel) and United Telecom Limited (UTL) Nepal.
6. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.
7. The previous period's figures have been rearranged wherever necessary to make them comparable with the current period's figures to the extent possible.

Investor Contacts

Mahesh Pratap Singh
Tata Communications
+91 22 6650 2794
mahesh.singh@tatacommunications.com

Siddharth Rangnekar / Vikram Rajput
Citigate Dewe Rogerson (CDR) India
+91 22 6645 1209 / +91 22 6645 1223
siddharth@cdr-india.com / vikramr@cdr-india.com

 [@tata_comm](#)
 <http://www.youtube.com/tatacomms>

CEO Blog: <http://tatacommunications-newworld.com>

PROFIT AND LOSS ACCOUNT SUMMARY
 (consolidated figures)

 (As per Indian GAAP)
 In Rs. million, except per share data

Particulars	Quarter Ended		Growth % in Q4 FY14 over Q4 FY13	Quarter Ended Dec 31, 2013	Growth % in Q4 FY14 over Q3 FY14	Year Ended		Growth % in FY14 over FY13
	Mar 31, 2014	Mar 31, 2013				Mar 31, 2014	Mar 31, 2013	
REVENUE								
REVENUE FROM OPERATIONS	52,153.1	44,004.6	18.5%	49,536.5	5.3%	196,195.5	172,129.5	14.0%
EXPENDITURE								
Network and transmission expenses	28,496.9	25,196.0		26,921.0		107,457.2	97,805.8	
Employee benefits expense	6,923.5	6,048.6		6,167.5		24,976.1	24,114.6	
Operating and other expenses	8,934.5	7,894.6		8,709.4		33,346.1	29,612.0	
	44,354.9	39,139.2		41,797.9		165,779.4	151,532.4	
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	7,798.2	4,865.4	60.3%	7,738.6	0.8%	30,416.1	20,597.1	47.7%
Operating EBITDA (% of Revenue from Operations)	15.0%	11.1%		15.6%		15.5%	12.0%	
Depreciation / amortization	5,243.3	4,272.8		5,202.1		20,913.7	20,270.5	
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	2,554.9	592.6	331.1%	2,536.5	0.7%	9,502.4	326.6	2809.5%
Operating EBIT (% of Revenue from Operations)	4.9%	1.3%		5.1%		4.8%	0.2%	
Other Operating Income	40.0	-		423.5		463.5	-	
Interest expense, net	1,960.7	1,878.1		1,983.8		7,617.0	7,941.4	
Other Income	530.0	413.7		246.0		1,433.0	2,265.9	
PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	1,164.2	(871.8)		1,222.2	-4.7%	3,781.9	(5,348.9)	
Exceptional Items (gain) / loss	1,500.0	(1,833.2)		-		(662.2)	(1,041.8)	
PROFIT/(LOSS) BEFORE TAX (PBT)	(335.8)	961.4		1,222.2		4,444.1	(4,307.1)	
PBT (% of Total Income)	-0.6%	2.2%		2.4%		2.2%	-2.5%	
Tax expenses	893.7	1,080.8		871.0		3,432.8	2,202.0	
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	(1,229.5)	(119.4)		351.2		1,011.3	(6,509.1)	
Minority interest	(2.6)	63.7		(2.2)		(14.0)	273.5	
Share in profit / (loss) of associates (net)	0.2	3.7		6.4		16.9	2.5	
NET PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	(1,231.9)	(52.0)		355.4		1,014.2	(6,233.1)	
PAT (% of Total Income)	-2.3%	-0.1%		0.7%		0.5%	-3.6%	
EARNINGS PER SHARE (Basic and diluted earnings per equity shares of par value Rs 10/ each)	(4.32)	(0.18)		1.25		3.56	(21.87)	

TATA COMMUNICATIONS**DEBT PROFILE**

Particulars	As on		
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014
CORE BUSINESS (In USD million)			
Gross Debt			
Foreign Currency Loans	\$ 1,596	\$ 1,585	\$ 1,612
Rupee Loans	\$ 127	\$ 112	\$ 172
	\$ 1,723	\$ 1,697	\$ 1,784
Average cost of loans	4.97%	4.19%	4.28%
Cash and cash equivalent	\$ 244	\$ 269	\$ 404
Net Debt	\$ 1,479	\$ 1,428	\$ 1,380
NEOTEL (In ZAR million)			
Gross Debt	5,023	5,266	5,258
Net Debt	4,807	5,089	4,815

CORE BUSINESS AND STARTUP BUSINESS PROFITABILITY

CORE BUSINESS	Quarter Ended		Growth % in Q4 FY14 over Q4 FY13	Quarter Ended Dec 31, 2013	Growth % in Q4 FY14 over Q3 FY14	Year Ended		Growth % in FY14 over FY13
	Mar 31, 2014	Mar 31, 2013				Mar 31, 2014	Mar 31, 2013	
Revenue from Operations	45,793	39,345	16.4%	44,340	3.3%	174,509	153,181	13.9%
Direct cost	26,749	23,031		25,956		101,254	88,792	
Net Revenue	19,044	16,314	16.7%	18,384	3.6%	73,254	64,389	13.8%
Operating and other expenses	13,037	11,791		12,260		48,579	45,740	
EBITDA	6,007	4,523	32.8%	6,123	-1.9%	24,676	18,649	32.3%
<i>EBITDA as % of Revenue from Operations</i>	<i>13.1%</i>	<i>11.5%</i>		<i>13.8%</i>		<i>14.1%</i>	<i>12.2%</i>	
Depreciation	4,525	3,727		4,753		18,464	17,643	
EBIT	1,483	795	86.4%	1,370	8.2%	6,212	1,006	517.4%
<i>EBIT as % of Revenue from Operations</i>	<i>3.2%</i>	<i>2.0%</i>		<i>3.1%</i>		<i>3.6%</i>	<i>0.7%</i>	
Other Operating Income	40	-		424		464	-	
Interest expenses	1,143	1,087		1,095		4,268	4,370	
Other Income and Interest Income	523	287		281		1,434	2,092	
Profit Before Tax and Exceptional Items	902	(4)		980	-7.9%	3,841	(1,271)	
Exceptional Items (gain) / loss	1,500	(1,833)		-		(662)	(1,042)	
PBT	(598)	1,829		980		4,503	(230)	
Tax expense	894	1,081		886		3,447	2,217	
Minority interest	(3)	(4)		(2)		(14)	(16)	
PAT after minority interest	(1,494)	744		92		1,042	(2,463)	
NORMALIZING CORE BUSINESS PERFORMANCE FOR ONE OFF AND EXCEPTIONAL ITEMS								
Normalized Revenue from Operations	45,793	39,345	16.4%	44,340	3.3%	174,509	153,181	13.9%
Add: Actuarial impact on Canada Pension	306	417		89		588	728	
Normalized EBITDA	6,313	4,940	27.8%	6,212	1.6%	25,264	19,377	30.4%
<i>Normalized EBITDA as % of Revenue from Ops</i>	<i>13.8%</i>	<i>12.6%</i>		<i>14.0%</i>		<i>14.5%</i>	<i>12.6%</i>	
Normalized EBIT	1,789	1,212	47.5%	1,459	22.6%	6,800	1,734	292.1%
<i>Normalized EBIT as % of Revenue from Ops</i>	<i>3.9%</i>	<i>3.1%</i>		<i>3.3%</i>		<i>3.9%</i>	<i>1.1%</i>	
Less: DOT interest received	-	-		-		-	1,105	
Less: Other Op. Income towards export benefit	40	-		424		464	-	
Normalized PBT (Before exceptional items)	1,168	413	182.9%	646	81.0%	3,965	(1,648)	
STARTUP BUSINESS								
STARTUP BUSINESS	Quarter Ended		Growth % in Q4 FY14 over Q4 FY13	Quarter Ended Dec 31, 2013	Growth % in Q4 FY14 over Q3 FY14	Year Ended		Growth % in FY14 over FY13
	Mar 31, 2014	Mar 31, 2013				Mar 31, 2014	Mar 31, 2013	
Revenue from Operations	6,360	4,660	36.5%	5,196	22.4%	21,687	18,948	14.5%
Operating expenses	4,570	4,317		3,581		15,946	17,000	
EBITDA	1,791	343	422.3%	1,615	10.9%	5,740	1,948	194.6%
<i>EBITDA as % of Revenue from Operations</i>	<i>28.2%</i>	<i>7.4%</i>		<i>31.1%</i>		<i>26.5%</i>	<i>10.3%</i>	
Depreciation	718	546		449		2,450	2,628	
EBIT	1,072	(203)		1,166	-8.1%	3,291	(679)	
<i>EBIT as % of Revenue from Operations</i>	<i>16.9%</i>	<i>-4.4%</i>		<i>22.4%</i>		<i>15.2%</i>	<i>-3.6%</i>	
Interest expense and other financial charges, net	811	665		924		3,350	3,398	
PBT	262	(868)		242	8.2%	(59)	(4,077)	
Tax expense	0	(0)		(15)		(15)	(15)	
Minority interest	0	72		6		17	292	
PAT after minority interest	262	(796)		263	-0.4%	(27)	(3,770)	
NORMALIZING STARTUP BUSINESS PERFORMANCE FOR ONE OFF AND EXCEPTIONAL ITEMS								
Backdated revenues recognized in Neotel post billing dispute resolution	600	-		-		600	-	
Normalized Revenue from Operations	5,760	4,660		5,196		21,087	18,948	
Add: Previous period regulatory payments in the joint venture (UTL Nepal)		274					274	
Less: write back in network cost w.r.t. Neotel pertaining to earlier years				337		337	-	
Normalized EBITDA	1,191	617	93.0%	1,278	-6.8%	4,803	2,222	
<i>Normalized EBITDA as % of Revenue from Ops</i>	<i>18.7%</i>	<i>13.2%</i>		<i>24.6%</i>		<i>22.1%</i>	<i>11.7%</i>	


CONSOLIDATED OPERATING METRICS

Total Income from Operations by Segment					
	Quarter Ended			Year Ended	
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014
Global Voice Solutions (GVS)	47.7%	48.6%	49.7%	49.8%	48.7%
Global Data Services (GDS)	40.1%	41.0%	39.7%	39.2%	40.3%
South Africa Operations (Neotel)	12.2%	10.4%	10.5%	11.0%	11.0%
Others	0.0%	0.0%	0.0%	0.1%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue from Operations by Currency					
	Quarter Ended			Year Ended	
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014
Indian Rupees (INR)	22%	21%	21%	21%	21%
South African Rand (ZAR)	10%	11%	12%	11%	11%
Other International Currencies	68%	68%	67%	68%	68%
Total	100%	100%	100%	100%	100%
Core Business Capital Expenditure (USD mn) - Spent during the period (Cash view)					
	Year ended				
	Mar 31, 2013	Mar 31, 2014			
Sustenance Capex					
Voice	\$ 3.7	\$ 2.3			
Data	\$ 13.4	\$ 10.6			
	\$ 17.1	\$ 12.8			
Growth Capex					
Voice	\$ 8.9	\$ 5.8			
Data	\$ 201.6	\$ 163.7			
	\$ 210.4	\$ 169.5			
Strategic projects ¹	\$ 35.8	\$ 35.9			
Others ²	\$ 28.4	\$ 34.7			
Total Capital Expenditure (Capex)	\$ 291.7	\$ 253.0			
Core Business Capital Expenditure (USD mn) - Capitalization View					
	Year ended				
	Mar 31, 2013	Mar 31, 2014			
Sustenance Capex					
Voice	\$ 6.4	\$ 2.3			
Data	\$ 14.2	\$ 10.6			
	\$ 20.6	\$ 12.9			
Growth Capex					
Voice	\$ 9.9	\$ 4.0			
Data	\$ 181.0	\$ 134.9			
	\$ 190.9	\$ 138.9			
Strategic projects ¹	\$ 99.4	\$ 49.4			
Others ²	\$ 35.3	\$ 17.9			
Total Capital Expenditure (Capex)	\$ 346.2	\$ 219.2			
1. Strategic projects include new submarine cables and data centers.					
2. Others include capex towards network engineering, IT, customer service operations etc.					
Neotel Capital Expenditure (ZAR mn) - Cash View					
	Year ended				
	Mar 31, 2013	Mar 31, 2014			
Neotel Capex (ZAR million)	460	523			
Neotel Capital Expenditure (ZAR mn) - Capitalization View					
	Year ended				
	Mar 31, 2013	Mar 31, 2014			
Neotel Capex (ZAR million)	471	542			

TATA COMMUNICATIONS

GLOBAL VOICE SERVICES (GVS) METRICS

GVS P&L (Rs million) - Management estimate based on internal MIS and cost allocation assumptions					
	Quarter Ended			Year Ended	
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014
Revenue from Operations	21,882	23,996	24,879	85,647	95,395
<i>Gross Revenue Growth Y-o-Y</i>	15.4%	8.4%	13.7%	25.7%	11.4%
<i>Gross Revenue Growth Q-o-Q</i>	-1.2%	-1.2%	3.7%		
Less: Direct cost	18,082	20,378	21,238	71,188	79,701
Net Revenue	3,800	3,617	3,641	14,459	15,694
<i>Net Revenue Growth Y-o-Y</i>	11.4%	-1.0%	-4.2%	17.4%	8.5%
<i>Net Revenue Growth Q-o-Q</i>	4.2%	-15.9%	0.6%		
Less: Operating Expenses	1,675	1,629	1,745	7,153	6,650
EBITDA	2,125	1,988	1,896	7,306	9,045
<i>EBITDA margin (% of Revenue from Operations)</i>	9.7%	8.3%	7.6%	8.5%	9.5%
Less: Depreciation	507	529	363	2,046	1,933
EBIT	1,618	1,460	1,533	5,259	7,111
<i>EBIT margin (% of Revenue from Operations)</i>	7.4%	6.1%	6.2%	6.1%	7.5%
Volume Split in Billion Minutes					
	Quarter Ended			Year Ended	
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014
International Long Distance (ILD)	13.7	12.6	12.3	53.7	52.5
National Long Distance (NLD) - India	1.6	1.2	1.5	8.3	5.9
Total Volume (ILD+NLD)	15.4	13.8	13.8	62.0	58.4

TATA COMMUNICATIONS**EXCHANGE RATES****AVERAGE EXCHANGE RATES**

	Quarter Ended			Year Ended	
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014
INR / USD	54.19	62.06	61.83	54.38	60.48
ZAR / USD	8.94	10.15	10.87	8.50	10.13
INR / ZAR	6.07	6.12	5.69	6.41	5.98

CLOSING EXCHANGE RATES

	As on			As on	
	Mar 31, 2013	Dec 31, 2013	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014
INR / USD	54.34	61.81	59.90	54.34	59.90
ZAR / USD	9.25	10.51	10.62	9.25	10.62
INR / ZAR	5.87	5.88	5.64	5.87	5.64