

## Investor Fact Sheet - Q1 FY2015

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### 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. Effective this quarter, there are couple of sub segmental level changes between voice and data and core and start-up due to internal alignment and the way we are consolidating inter-co elements. Firstly, enterprise focused voice offerings have been carved out of Voice segment and now form part of our Unified Communication and Collaboration (UCC) offerings, being reported under Data segment. Second change pertains to consolidation of inter-co elements between core and start-up where these inter-co elements need to be eliminated to reflect gross level adjustments. Overall, there is no change in consolidated figures.
4. The previous period's figures in Q1 FY15 earnings documents have been rearranged for segmental changes outlined above wherever necessary to make them comparable to the extent possible. However, previous period's figures published in prior documents elsewhere may not be comparable for segmental performance.
5. Q4 FY14 and FY14 numbers 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.
6. Core business refers to the company's Voice Solutions and Data Services collectively.
7. Startup business refers to the Company's South African Operations (Neotel) and United Telecom Limited (UTL) Nepal.
8. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

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<b>TATA COMMUNICATIONS</b>						
<b>PROFIT AND LOSS ACCOUNT SUMMARY</b>			(As per Indian GAAP)			
(consolidated figures)			In Rs. million, except per share data			
Particulars	Quarter Ended		Growth % in Q1 FY15 over Q1 FY14	Quarter Ended	Growth % in Q1 FY15 over Q4 FY14	Year Ended Mar 31, 2014
	Jun 30, 2014	Jun 30, 2013		Mar 31, 2014		
<b>REVENUE</b>						
<b>REVENUE FROM OPERATIONS</b>	51,117.2	44,979.8	13.6%	52,153.1	-2.0%	196,195.5
<b>EXPENDITURE</b>						
Network and transmission expenses	28,085.5	24,978.1		28,496.9		107,457.2
Employee benefits expense	7,089.9	6,022.1		6,923.5		24,976.1
Operating and other expenses	8,814.4	7,464.1		8,934.5		33,346.1
	43,989.8	38,464.3		44,354.9		165,779.4
<b>OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)</b>	7,127.4	6,515.5	9.4%	7,798.2	-8.6%	30,416.1
<b>Operating EBITDA (% of Revenue from Operations)</b>	13.9%	14.5%		15.0%		15.5%
Depreciation / amortization	5,301.3	5,037.2		5,243.3		20,913.7
<b>OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)</b>	1,826.1	1,478.3	23.5%	2,554.9	-28.5%	9,502.4
<b>Operating EBIT (% of Revenue from Operations)</b>	3.6%	3.3%		4.9%		4.8%
Other Operating Income	-	-		40.0		463.5
Interest expense, net	1,990.0	1,662.9		1,960.7		7,617.0
Other Income	642.7	263.6		530.0		1,433.0
<b>PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>	478.8	79.0		1,164.2	-58.9%	3,781.9
Exceptional Items (gain) / loss	-	(2,162.2)		1,500.0		(662.2)
<b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>	478.8	2,241.2		(335.8)		4,444.1
<b>PBT (% of Total Income)</b>	0.9%	5.0%		-0.6%		2.2%
Tax expenses	688.6	1,298.4		893.7		3,432.8
<b>PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>	(209.8)	942.8		(1,229.5)		1,011.3
Minority interest	(4.3)	(5.1)		(2.6)		(14.0)
Share in profit / (loss) of associates (net)	0.3	7.5		0.2		16.9
<b>NET PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)</b>	(213.8)	945.2		(1,231.9)		1,014.2
<b>PAT (% of Total Income)</b>	-0.4%	2.1%		-2.3%		0.5%
<b>EARNINGS PER SHARE</b> (Basic and diluted earnings per equity shares of par value Rs 10/ each)	(0.75)	3.32		(4.32)		3.56

**TATA COMMUNICATIONS****DEBT PROFILE**

Particulars	As on		
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014
<b>CORE BUSINESS (In USD million)</b>			
<b>Gross Debt</b>			
Foreign Currency Loans	\$ 1,651	\$ 1,612	\$ 1,631
Rupee Loans	\$ 117	\$ 172	\$ 78
	\$ 1,768	\$ 1,784	\$ 1,709
<b>Average cost of loans</b>	4.39%	4.28%	4.24%
<b>Cash and cash equivalent</b>	\$ 249	\$ 404	\$ 278
<b>Net Debt</b>	\$ 1,519	\$ 1,380	\$ 1,431

<b>TATA COMMUNICATIONS</b>						
<b>CORE BUSINESS AND STARTUP BUSINESS PROFITABILITY</b>						
In Rs. Million						
<b>CORE BUSINESS</b>	<b>Quarter Ended</b>		<b>Growth % in Q1 FY15 over Q1 FY14</b>	<b>Quarter Ended Mar 31, 2014</b>	<b>Growth % in Q1 FY15 over Q4 FY14</b>	<b>Year Ended Mar 31, 2014</b>
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>				
<b>Revenue from Operations</b>	<b>45,186</b>	<b>40,188</b>	<b>12.4%</b>	<b>45,793</b>	<b>-1.3%</b>	<b>174,509</b>
Direct cost	26,315	22,991		26,630		100,817
<b>Net Revenue</b>	<b>18,872</b>	<b>17,197</b>	<b>9.7%</b>	<b>19,162</b>	<b>-1.5%</b>	<b>73,692</b>
Operating and other expenses	13,160	11,836		13,407		49,982
<b>EBITDA</b>	<b>5,712</b>	<b>5,362</b>	<b>6.5%</b>	<b>5,756</b>	<b>-0.8%</b>	<b>23,710</b>
<i>EBITDA as % of Revenue from Operations</i>	<i>12.6%</i>	<i>13.3%</i>		<i>12.6%</i>		<i>13.6%</i>
Depreciation	4,671	4,447		4,525		18,464
<b>EBIT</b>	<b>1,041</b>	<b>915</b>	<b>13.8%</b>	<b>1,231</b>	<b>-15.4%</b>	<b>5,245</b>
<i>EBIT as % of Revenue from Operations</i>	<i>2.3%</i>	<i>2.3%</i>		<i>2.7%</i>		<i>3.0%</i>
Other Operating Income	-	-		40		464
Interest expenses	1,110	915		1,143		4,268
Other Income and Interest Income	584	177		523		1,434
<b>Profit Before Tax and Exceptional Items</b>	<b>516</b>	<b>177</b>	<b>192.1%</b>	<b>651</b>	<b>-20.7%</b>	<b>2,875</b>
Exceptional Items (gain) / loss	-	(2,162)		1,500		(662)
<b>PBT</b>	<b>516</b>	<b>2,339</b>	<b>-77.9%</b>	<b>(849)</b>		<b>3,537</b>
Tax expense	689	1,298		894		3,447
Minority interest	(4)	(5)		(3)		(14)
<b>PAT after minority interest</b>	<b>(176)</b>	<b>1,035</b>		<b>(1,746)</b>		<b>76</b>
<b>NORMALIZING CORE BUSINESS PERFORMANCE FOR ONE OFF AND EXCEPTIONAL ITEMS</b>						
<b>Normalized Revenue from Operations</b>	<b>45,186</b>	<b>40,188</b>	<b>12.4%</b>	<b>45,793</b>	<b>-1.3%</b>	<b>174,509</b>
Add: Actuarial impact on Canada Pension	173	403		306		588
<b>Normalized EBITDA</b>	<b>5,885</b>	<b>5,765</b>	<b>2.1%</b>	<b>6,062</b>	<b>-2.9%</b>	<b>24,298</b>
<i>Normalized EBITDA as % of Revenue from Ops</i>	<i>13.0%</i>	<i>14.3%</i>		<i>13.2%</i>		<i>13.9%</i>
<b>Normalized EBIT</b>	<b>1,214</b>	<b>1,318</b>	<b>-7.8%</b>	<b>1,537</b>	<b>-21.0%</b>	<b>5,833</b>
<i>Normalized EBIT as % of Revenue from Ops</i>	<i>2.7%</i>	<i>3.3%</i>		<i>3.4%</i>		<i>3.3%</i>
Less: DOT interest received	-	-		-		-
Less: Other Op. Income towards export benefit	-	-		40		464
<b>Normalized PBT (Before exceptional items)</b>	<b>689</b>	<b>580</b>	<b>18.8%</b>	<b>917</b>	<b>-24.9%</b>	<b>2,999</b>
<b>STARTUP BUSINESS</b>						
<b>STARTUP BUSINESS</b>	<b>Quarter Ended</b>		<b>Growth % in Q1 FY15 over Q1 FY14</b>	<b>Quarter Ended Mar 31, 2014</b>	<b>Growth % in Q1 FY15 over Q4 FY14</b>	<b>Year Ended Mar 31, 2014</b>
	<b>Jun 30, 2014</b>	<b>Jun 30, 2013</b>				
<b>Revenue from Operations</b>	<b>5,931</b>	<b>4,791</b>	<b>23.8%</b>	<b>6,360</b>	<b>-6.8%</b>	<b>21,687</b>
Operating expenses	4,516	3,638		4,318		14,980
<b>EBITDA</b>	<b>1,415</b>	<b>1,154</b>	<b>22.7%</b>	<b>2,042</b>	<b>-30.7%</b>	<b>6,707</b>
<i>EBITDA as % of Revenue from Operations</i>	<i>23.9%</i>	<i>24.1%</i>		<i>32.1%</i>		<i>30.9%</i>
Depreciation	630	590		718		2,450
<b>EBIT</b>	<b>785</b>	<b>564</b>	<b>39.2%</b>	<b>1,324</b>	<b>-40.7%</b>	<b>4,257</b>
<i>EBIT as % of Revenue from Operations</i>	<i>13.2%</i>	<i>11.8%</i>		<i>20.8%</i>		<i>19.6%</i>
Interest expense and other financial charges, net	822	661		811		3,350
<b>PBT</b>	<b>(37)</b>	<b>(98)</b>		<b>513</b>	<b>-107.2%</b>	<b>907</b>
Tax expense	0	(0)		(0)		(15)
Minority interest	(0)	7		0		17
<b>PAT after minority interest</b>	<b>(37)</b>	<b>(90)</b>		<b>514</b>	<b>-107.3%</b>	<b>939</b>
<b>NORMALIZING STARTUP BUSINESS PERFORMANCE FOR ONE OFF AND EXCEPTIONAL ITEMS</b>						
Backdated revenues recognized in Neotel post billing dispute resolution	-	-		600		600
<b>Normalized Revenue from Operations</b>	<b>5,931</b>	<b>4,791</b>	<b>23.8%</b>	<b>5,760</b>	<b>3.0%</b>	<b>21,087</b>
Add: Previous period regulatory payments in the joint venture (UTL Nepal)	-	-		-		-
Less: write back in network cost w.r.t. Neotel pertaining to earlier years	-	-		-		337
<b>Normalized EBITDA</b>	<b>1,415</b>	<b>1,154</b>	<b>22.7%</b>	<b>1,442</b>	<b>-1.9%</b>	<b>5,770</b>
<i>Normalized EBITDA as % of Revenue from Ops</i>	<i>23.9%</i>	<i>24.1%</i>		<i>22.7%</i>		<i>26.6%</i>


**CONSOLIDATED OPERATING METRICS**

Total Income from Operations by Segment				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Global Voice Solutions (GVS)	47.4%	46.2%	45.5%	47.0%
Global Data Services (GDS)	40.8%	41.1%	42.4%	41.2%
South Africa Operations (Neotel)	11.7%	12.7%	12.1%	11.7%
Others	0.1%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Some minor variations may be there due to inter-segment revenues

Revenue from Operations by Currency				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Indian Rupees (INR)	21%	21%	22%	21%
South African Rand (ZAR)	11%	12%	11%	11%
Other International Currencies	68%	67%	67%	68%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Core Business Capital Expenditure (USD mn) - Spent during the period (Cash view)			
	Quarter ended	Year Ended	
	Jun 30, 2014	Jun 30, 2014	Mar 31, 2014
Sustenance Capex			
Voice	\$ 0.3	\$	2.3
Data	\$ 2.9	\$	10.6
	\$ 3.2	\$	12.8
Growth Capex			
Voice	\$ 3.1	\$	5.8
Data	\$ 26.4	\$	163.7
	\$ 29.6	\$	169.5
Strategic projects <sup>1</sup>	\$ 8.9	\$	35.9
Others <sup>2</sup>	\$ 6.6	\$	34.7
<b>Total Capital Expenditure (Capex)</b>	<b>\$ 48.2</b>	<b>\$</b>	<b>253.0</b>

Core Business Capital Expenditure (USD mn) - Capitalization View			
	Quarter ended	Year Ended	
	Jun 30, 2014	Jun 30, 2014	Mar 31, 2014
Sustenance Capex			
Voice	\$ 0.2	\$	2.3
Data	\$ 1.1	\$	10.6
	\$ 1.3	\$	12.9
Growth Capex			
Voice	\$ 0.3	\$	4.0
Data	\$ 24.6	\$	134.9
	\$ 24.8	\$	138.9
Strategic projects <sup>1</sup>	\$ 3.7	\$	49.4
Others <sup>2</sup>	\$ 3.8	\$	17.9
<b>Total Capital Expenditure (Capex)</b>	<b>\$ 33.6</b>	<b>\$</b>	<b>219.2</b>

1. Strategic projects include new submarine cables and data centers.

2. Others include capex towards network engineering, IT, customer service operations etc.

<b>TATA COMMUNICATIONS</b>				
<b>VOICE SOLUTIONS METRICS</b>				
<b>Voice P&amp;L (Rs million) - Management estimate based on internal MIS and cost allocation assumptions</b>				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Revenue from Operations	21,582	24,244	23,407	93,024
<i>Gross Revenue Growth Y-o-Y</i>			8.5%	
<i>Gross Revenue Growth Q-o-Q</i>			-3.5%	
Less: Direct cost	17,681	20,865	20,025	78,207
Net Revenue	3,900	3,379	3,381	14,817
<i>Net Revenue Growth Y-o-Y</i>			-13.3%	
<i>Net Revenue Growth Q-o-Q</i>			0.1%	
Less: Operating Expenses	1,607	1,705	1,654	6,525
EBITDA	2,293	1,673	1,728	8,292
<i>EBITDA margin (% of Revenue from Operations)</i>	10.6%	6.9%	7.4%	8.9%
Less: Depreciation	560	420	490	2,186
EBIT	1,734	1,253	1,237	6,106
<i>EBIT margin (% of Revenue from Operations)</i>	8.0%	5.2%	5.3%	6.6%
<b>Volume Split in Billion Minutes</b>				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
International Long Distance (ILD)	13.4	11.8	11.7	50.6
National Long Distance (NLD) - India	1.5	1.5	1.2	5.9
<b>Total Volume (ILD+NLD)</b>	<b>14.9</b>	<b>13.3</b>	<b>13.0</b>	<b>56.5</b>

<b>TATA COMMUNICATIONS</b>				
<b>DATA SERVICES METRICS</b>				
<b>Data P&amp;L (Rs. million) - Management estimate based on internal MIS and cost allocation assumptions</b>				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Revenue from Operations	18,607	21,549	21,780	81,485
<i>Gross Revenue Growth Y-o-Y</i>			17.1%	
<i>Gross Revenue Growth Q-o-Q</i>			1.1%	
Less: Direct cost	5,309	5,765	6,289	22,610
Net Revenue	13,297	15,784	15,490	58,875
<i>Net Revenue Growth Y-o-Y</i>			16.5%	
<i>Net Revenue Growth Q-o-Q</i>			-1.9%	
Less: Operating Expenses	10,229	11,701	11,506	43,457
EBITDA	3,068	4,082	3,985	15,417
<i>EBITDA margin (% of Revenue from Operations)</i>	16.5%	18.9%	18.3%	18.9%
Less: Depreciation	3,888	4,105	4,181	16,278
EBIT	(819)	(23)	(196)	(861)
<i>EBIT margin (% of Revenue from Operations)</i>	-4.4%	-0.1%	-0.9%	-1.1%
<b>Revenue from Operations By Segment</b>				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Service Provider / Carrier	47%	45%	44%	47%
Enterprise	53%	55%	56%	53%
	100.0%	100.0%	100.0%	100.0%
<b>Revenue from Operations By Service Line of Business</b>				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Network Services <sup>1</sup>	65%	65%	65%	65%
Managed Services <sup>2</sup>	35%	35%	35%	35%
	100.0%	100.0%	100.0%	100.0%
<sup>1</sup> Network services primarily include traditional connectivity services (IPL, NPL, IRUs), Internet Transit (IP-T, ILL) and VPN services (Ethernet, VPN). <sup>2</sup> Managed services primarily include Data Centers, Mobility, Unified Communication and Collaboration (UCC), Media Services, Tata Communications Payment Solutions Ltd (TCPSSL), and Tata Communications Transformation Services Limited (TCTSL)				
<b>Revenue from Operations By Geography</b>				
	Quarter Ended			Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
India	52%	50%	51%	51%
Rest of the World (RoW)	48%	50%	49%	49%
	100.0%	100.0%	100.0%	100.0%
<b>Tata Communications Payment Solutions Ltd. (TCPSSL) - Key metrics</b>				
	As on			As on
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Total ATMs managed				
Third party / Managed ATMs	16,304	17,848	18,032	17,848
White Label ATMs (WLA)	3	1,182	1,572	1,182
	16,307	19,030	19,604	19,030
Total POS managed	12,802	13,324	13,138	13,324
Quarter Ended				Year Ended
	Jun 30, 2013	Mar 31, 2014	Jun 30, 2014	Mar 31, 2014
Revenue <sup>1</sup> (Rs million)	1,150	1,198	1,265	4,737
<sup>1</sup> TCPSSL revenues are included in enterprise segment/ managed service line of business				

<b>TATA COMMUNICATIONS</b>				
<b>EXCHANGE RATES</b>				
<b>AVERAGE EXCHANGE RATES</b>				
	<b>Quarter Ended</b>			<b>Year Ended</b>
	<b>Jun 30, 2013</b>	<b>Mar 31, 2014</b>	<b>Jun 30, 2014</b>	<b>Mar 31, 2014</b>
INR / USD	55.83	61.83	59.78	60.48
ZAR / USD	9.48	10.87	10.54	10.13
INR / ZAR	5.89	5.69	5.67	5.98
<b>CLOSING EXCHANGE RATES</b>				
	<b>As on</b>			<b>As on</b>
	<b>Jun 30, 2013</b>	<b>Mar 31, 2014</b>	<b>Jun 30, 2014</b>	<b>Mar 31, 2014</b>
INR / USD	59.27	59.90	60.12	59.90
ZAR / USD	10.00	10.62	10.61	10.62
INR / ZAR	5.93	5.64	5.67	5.64