

Analyst Meeting Q1 FY11

Tata Teleservices (Maharashtra) Limited

August 2010



Disclaimer

Certain statements in this release concerning our Company objectives, future prospects, expectations may be forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. Tata Teleservices (Maharashtra) Limited may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.



Key Developments in Q1 FY11



■ 3G auctions concluded

- ▶ TTML won 3G license in Maharashtra for Rs. 1257.8 crores
- ▶ None of the operators won a pan-India license for 3G operations

■ Regulatory Developments

- ▶ TRAI has submitted its recommendations on spectrum and M&A norms
- ▶ Government is likely to appoint an Empowered Group of Ministers (EGOM) for deciding on TRAI recommendations

■ All formalities pursuant to the divestment of 21st Century Infra Tele Limited, TTML's tower company is complete

- ▶ Rs. 834.93 crores accounted as profit on the sale of long-term investment
- ▶ Rs.165 crores provision for contingencies made on conservative basis

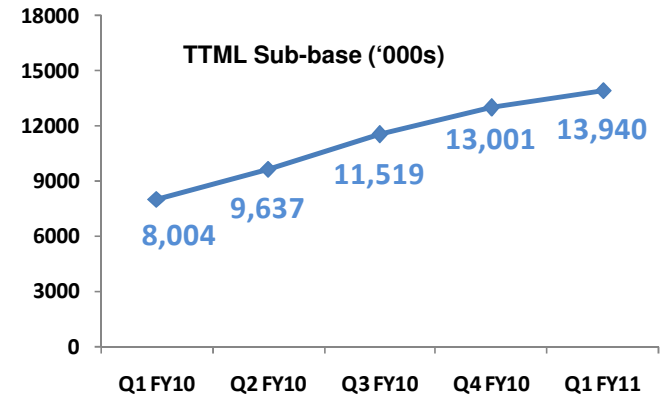


TTML Key Milestones in Q1 FY11



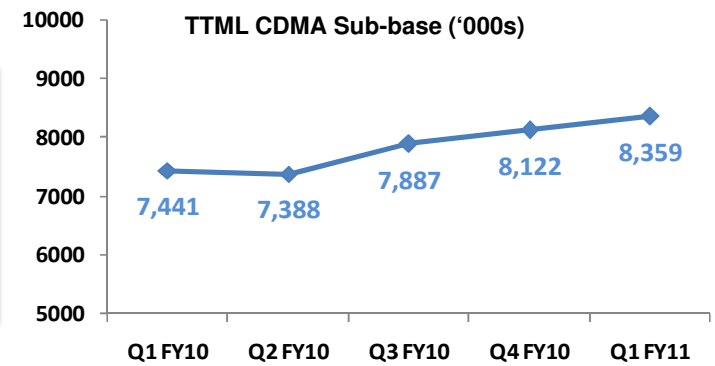
TTML

Fast approaching 14 million Subscribers



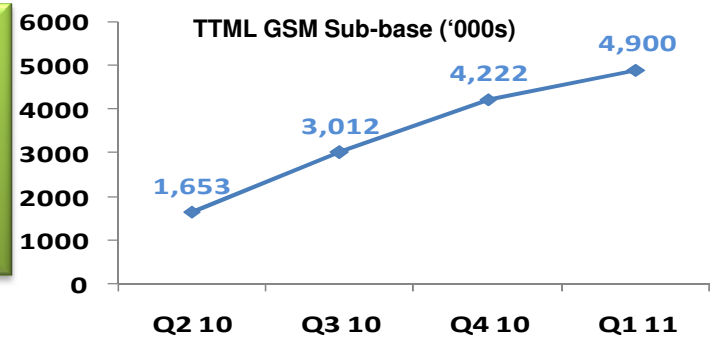
CDMA

Crossed 8.3 million Subscribers



Tata Docomo

Crossed 4.9 million Subscribers



TTML Key Milestones in Q1 FY11



Wireline

1 private operator - Crossed 680,000 Subscribers

Rest of Maharashtra

2 Wireless Operator Nearing 8.5 million Subscribers

Mumbai

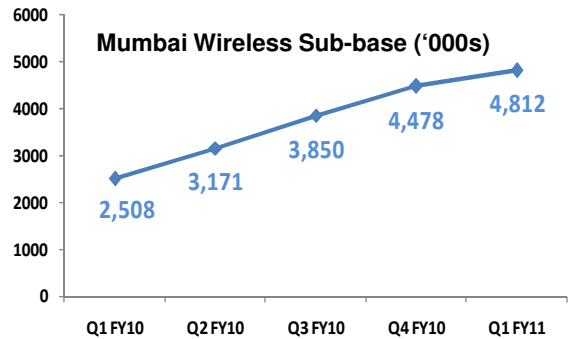
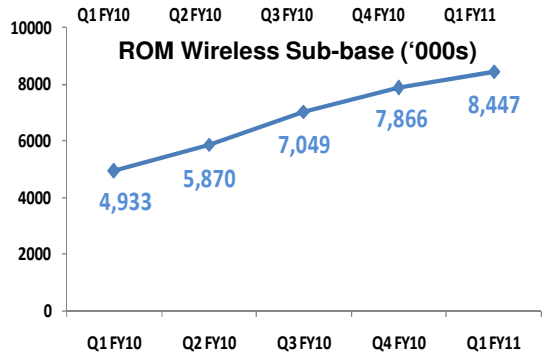
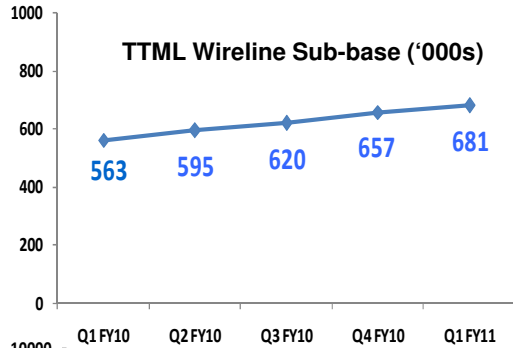
3 Wireless Operator Nearing 5 million Subscribers

Photon+ Subscribers

Crossed 150,000 Photon+ subscribers

Digital Mumbai™

Crossed 80,000 TTML ADSL base



Market Overview



	India	Maharashtra (excl. Mumbai)	Mumbai
Population as of 2009 (Mln)	1166.9	101.2	20
Wireless Base as on June 2010 (Mln)	635.5	46.8	29.1
Wireless Teledensity	54%	46%	146%
Q1 FY 11 subscriber growth over Q1 FY 10	48.7%	39.7%	42.5%
Q1 FY 11 TTML subscriber growth over Q1 FY 10		71.3%	91.9%

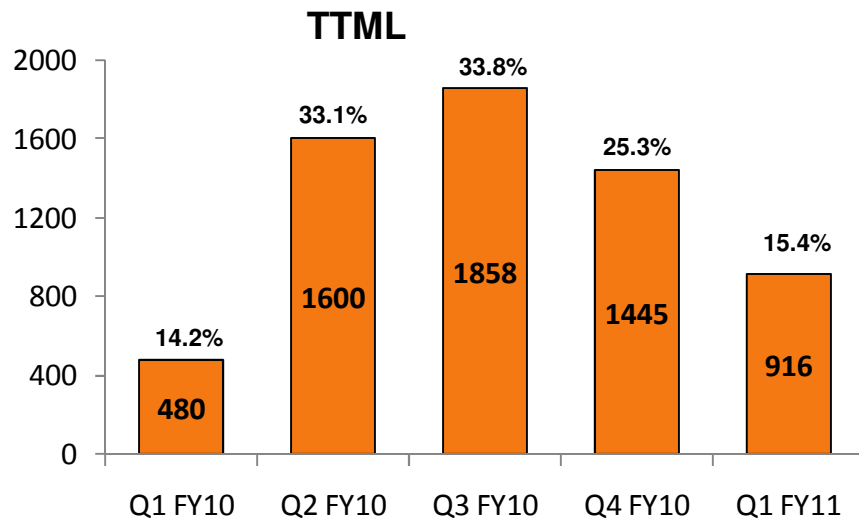
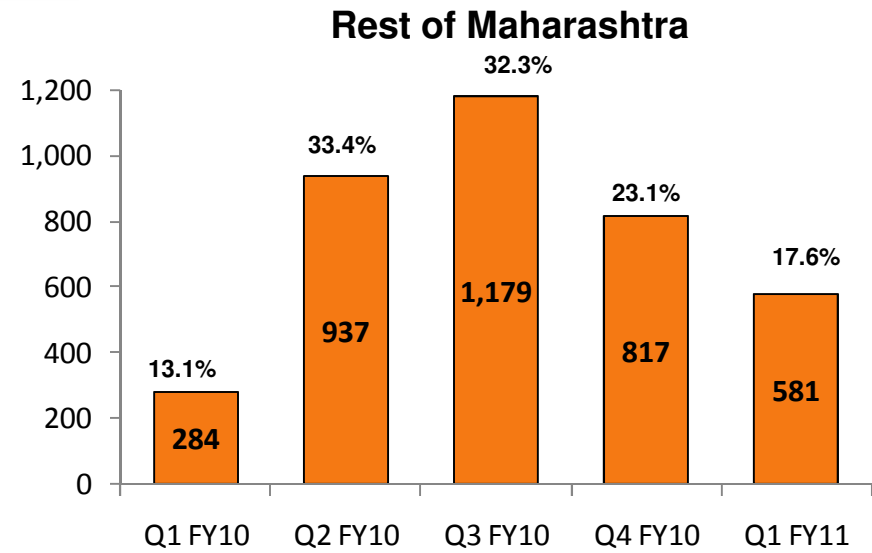
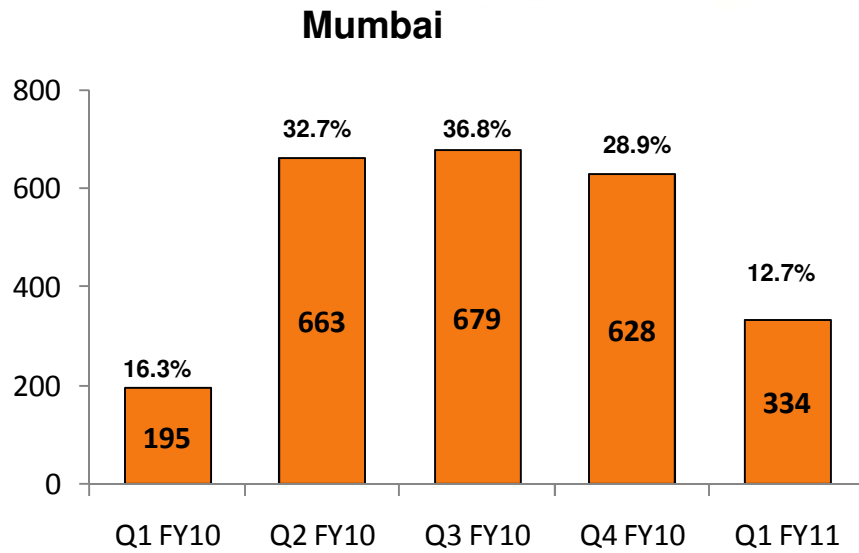
TTML has consistently outperformed the market and has registered a steady growth

* Source: MMRDA report (Population and Employment profile of Mumbai Metropolitan region), Wikipedia & TRAI Subscriber Report



Market Overview – TTML’s position in the Competitive Landscape

Wireless Incremental Market Share



Intensely competitive market with 10-12 players. TTML has the 2nd highest incremental market share

Source: TRAI Subscriber Report



* Absolute Net Additions in '000s

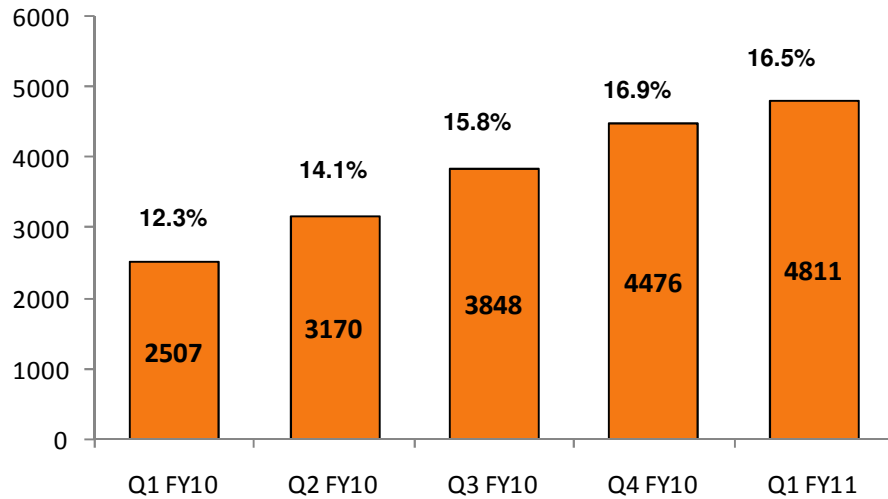


Market Overview – TTML’s position in the Competitive Landscape

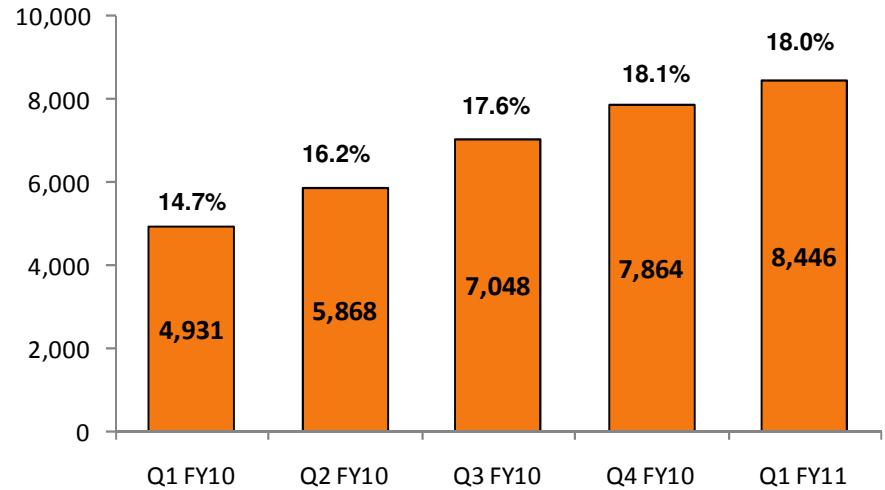
Wireless EOP Market Share



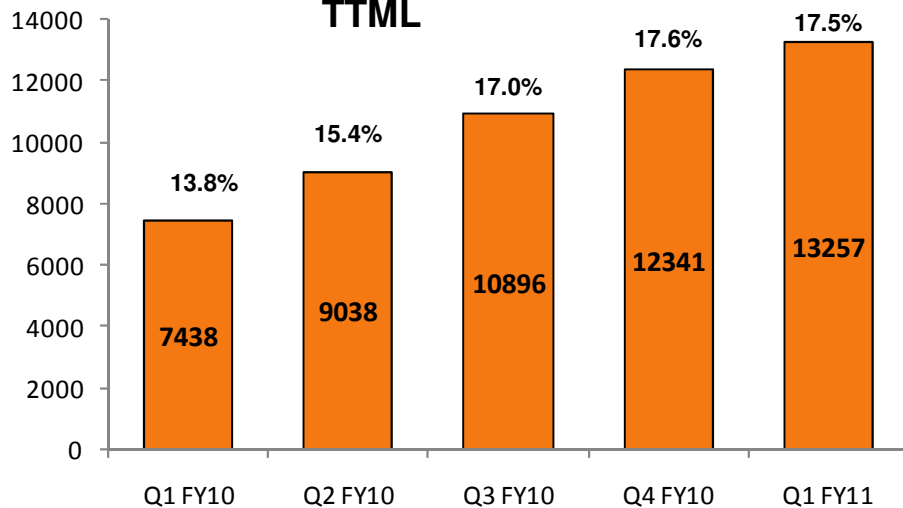
Mumbai



Rest of Maharashtra



TTML



TTML is the 2nd largest wireless operator in this geography

Source: TRAI Subscriber Report

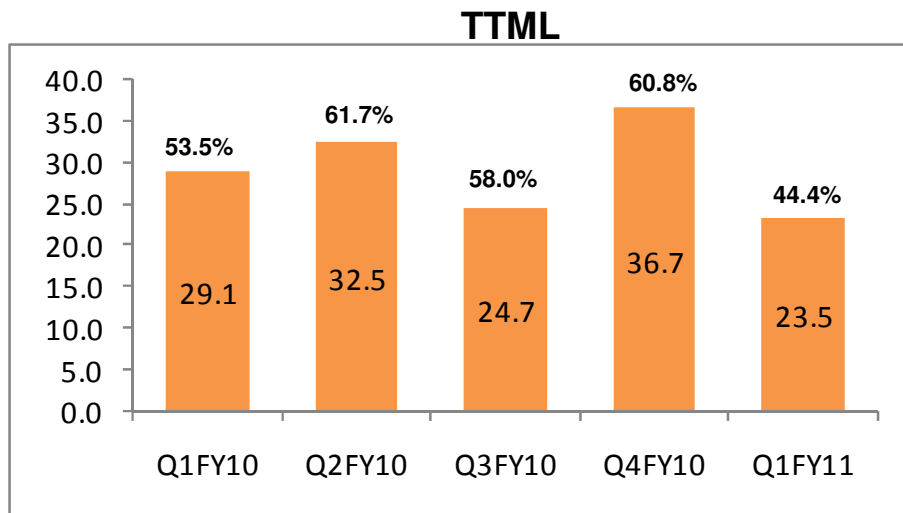
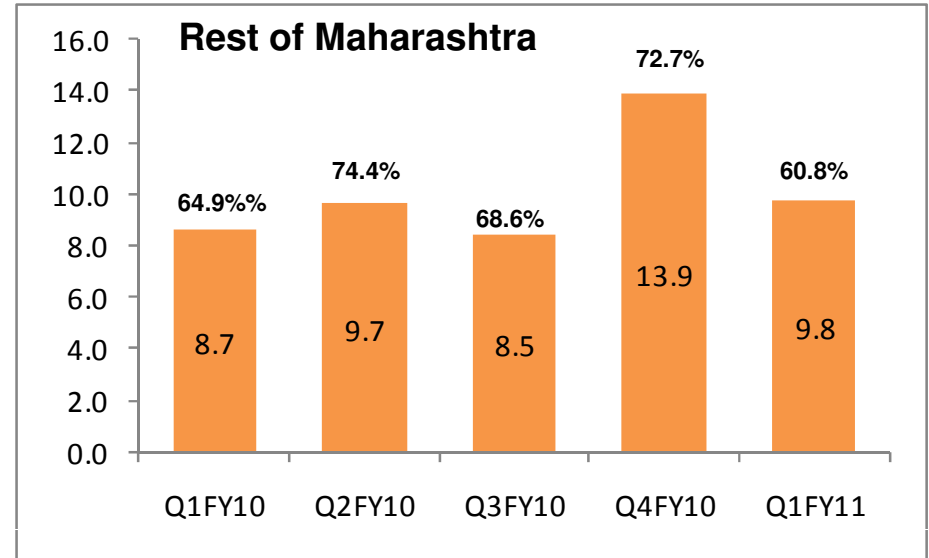
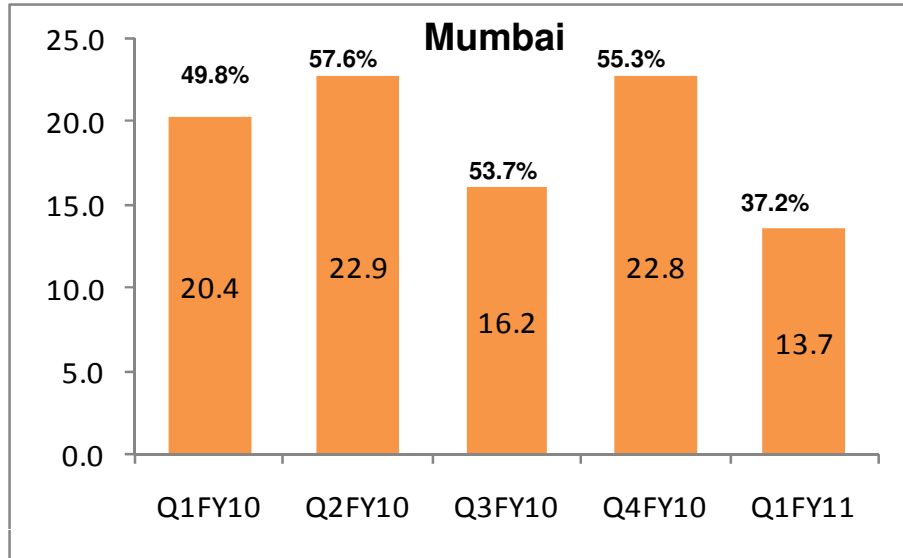


* EOP subs figure in '000s



Market Overview – TTML's position in the Competitive Landscape

Wireline Incremental Market Share



TTML continues to maintain its leadership position in the Wireline segment

Source: TRAI Subscriber Report



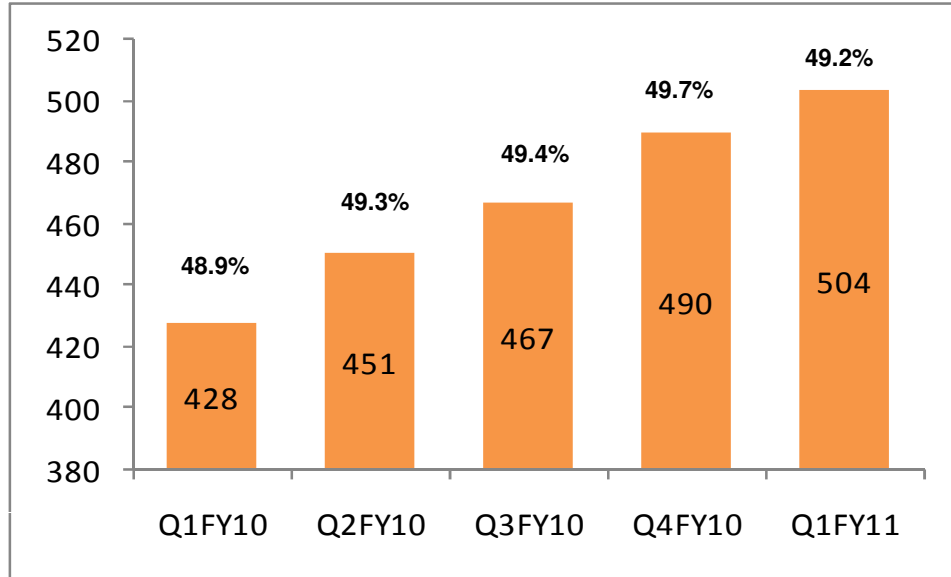
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Market Overview – TTML’s position in the Competitive Landscape

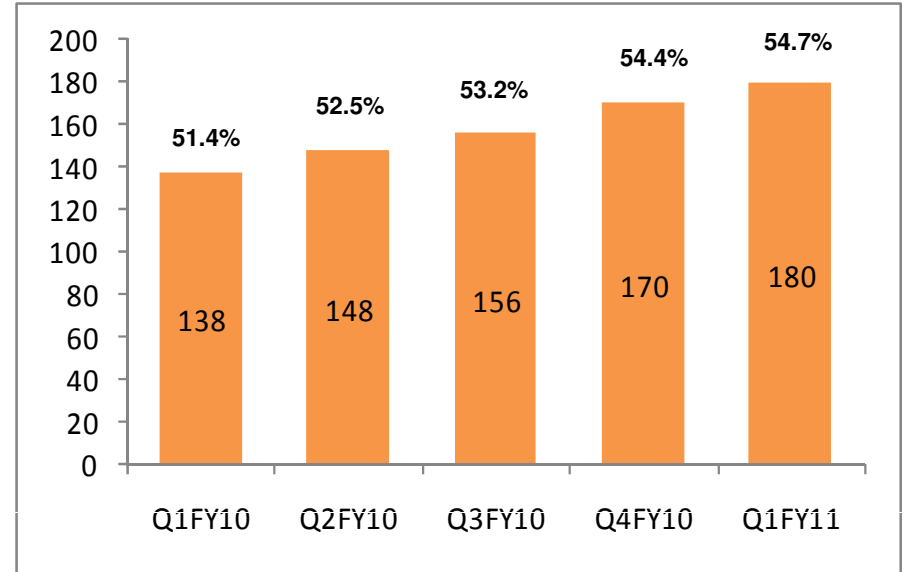
Wireline EOP Market Share



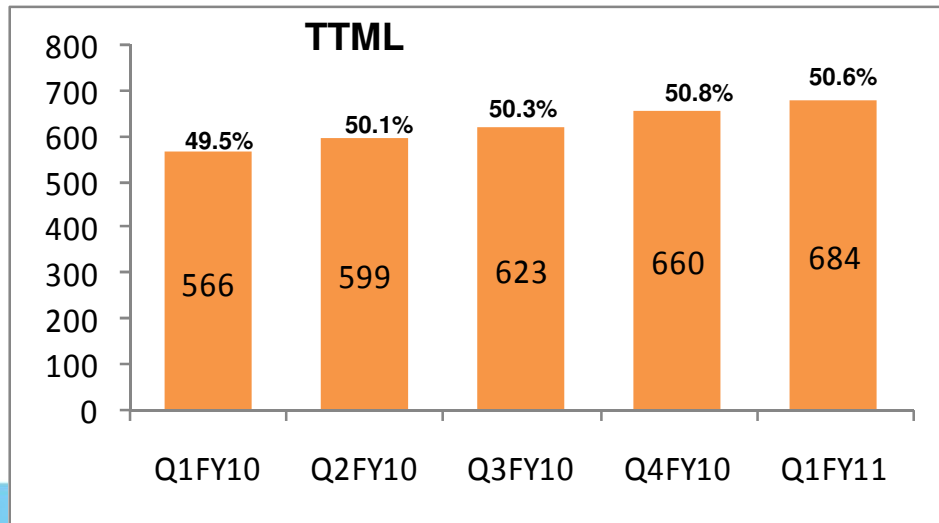
Mumbai



Rest of Maharashtra



TTML



TTML continues to maintain its market leadership in the Wireline segment

Source: TRAI Subscriber Report

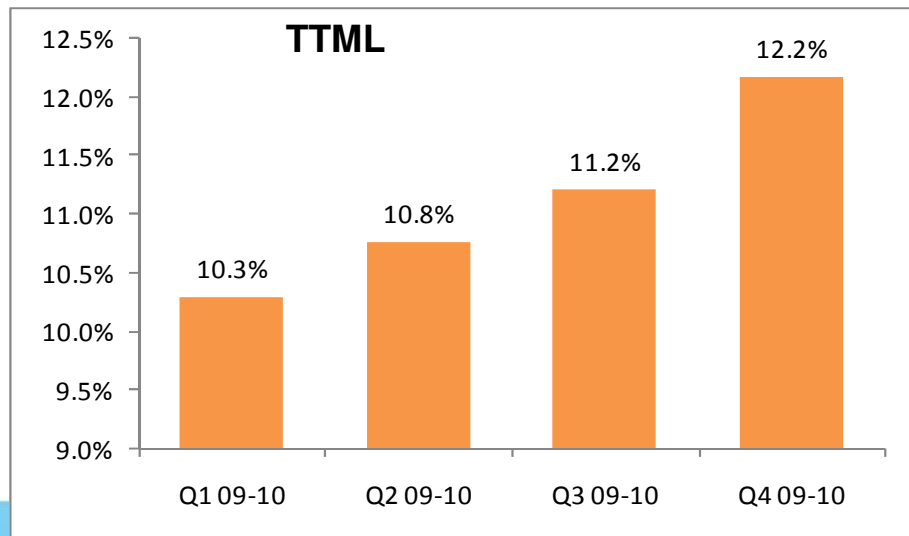
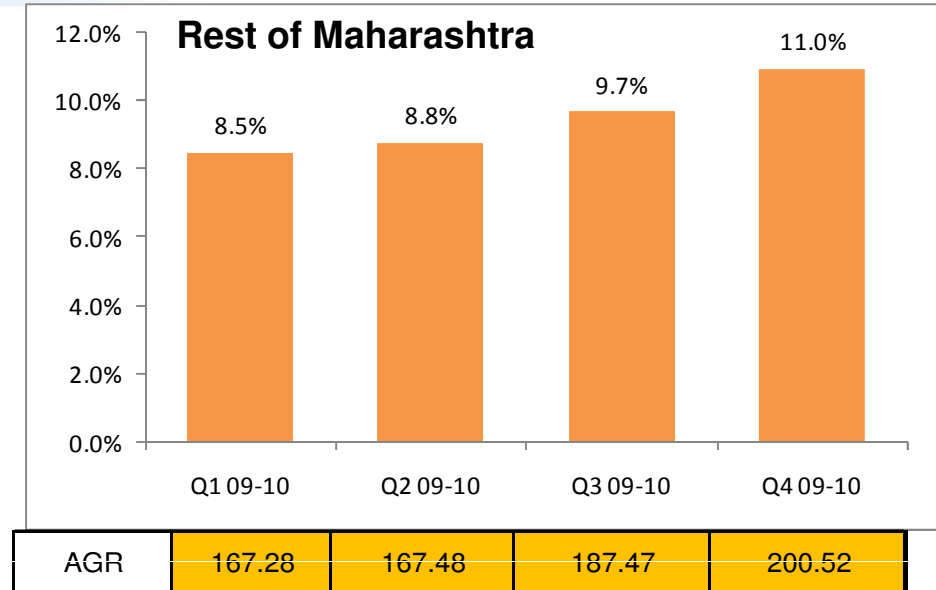
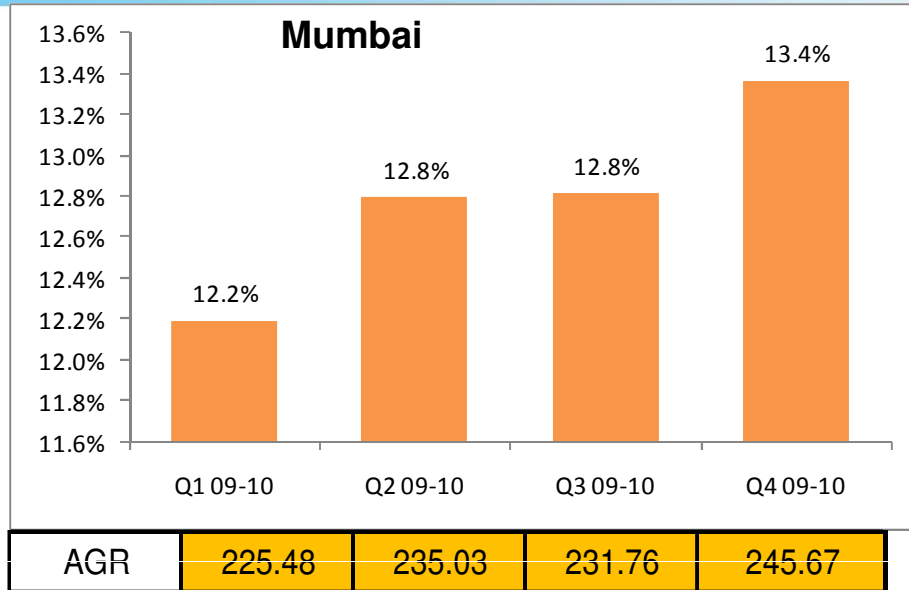
Note: Incremental Market Share is calculated only for private players

* EOP subs figure in '000s



Market Overview – TTML’s position in the Competitive Landscape

Adjusted Gross Revenue market share



- In Q4FY10, TTML recorded an AGR growth of 6.4% over Q3FY10 while the industry AGR de-grew by 2% in the same period
- The company has recorded steady growth in the Adjusted Gross Revenues Q-o-Q

Source: Quarterly TRAI Revenue reports

* Adjusted Gross Revenue figures in Rs. Crs.

AGR	Q1 09-10	Q2 09-10	Q3 09-10	Q4 09-10
	392.76	402.51	419.23	446.19



TTML : Life Cycle of Profitability

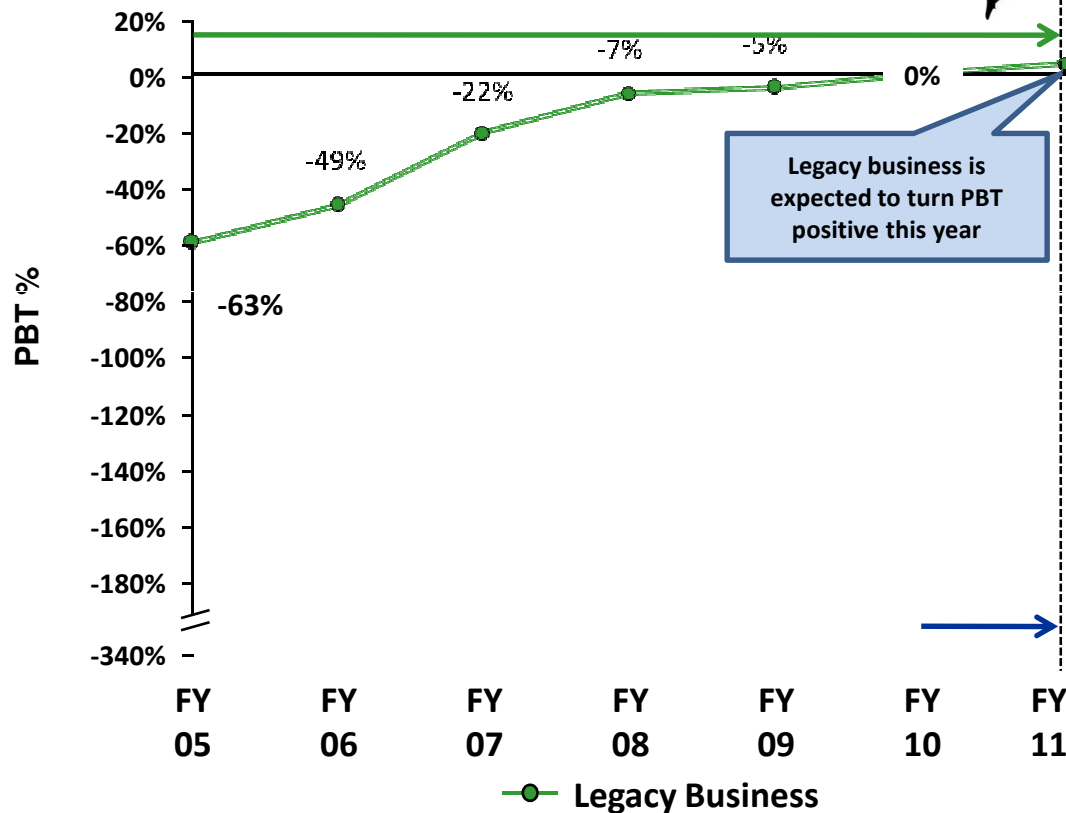


It typically takes 5 – 7 years for a new business to turn PBT positive

TTML launched full scale pre-paid CDMA service from FY05



Current year



Legacy business is expected to turn PBT positive this year

- ✓ TTML launched CDMA services in FY04, but the pre-paid services were started only in FY05
- ✓ New businesses such as GSM and 3G will take time to mature and turn profitable at PBT Level
- ✓ Expect a quicker ramp up on profitability through better execution and synergies with CDMA business

Source: Internal information



Financials for Q1 FY11



SCORECARD Q1 FY11



	Q1 FY11 Actual	Q4 FY10 Actual	Q1 FY10 Actual
EOP Subscribers (Nos. in lacs)	139.4	130.0	80.0
Total Revenue (Rs. Crs.)	563	627	511
EBITDA (Rs. Crs.)	118	159	152
EBITDA Margin %	21%	25%	30%
Cash Profit (Rs. Crs.) <i>(excl. Forex Loss)</i>	41	79	90
Cash Profit (Rs. Crs.)	28	87	87
PAT before Tower Divestment impact (Rs. Crs.)	(112)	(66)	(23)
Profit from Tower Divestment Net of contingencies (Rs. Crs.)	670	-	-
PAT after Tower Divestment impact (Rs. Crs.)	558	(66)	(23)



Key Parameters



Particulars	Units	Quarter Ended					Year Ended	
		Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	FY-09	FY-10
Wireless Services								
Subscribers Base	Nos. '000	7,441	9,041	10,899	12,344	13,260	6,962	12,344
Prepaid Subscribers as a % of EOP Subscribers	%	91%	92%	93%	94%	94%	91%	94%
Wireless Subscribers Market Share	%	13.9%	15.5%	17.0%	17.6%	17.5%	13.9%	17.6%
Average Revenue per User *	Rs. per month	154	148	143	125	164	198	135
Avg. MOU per User *	Min. per month	292	271	266	250	384	326	256
Rate per Minute **	Rs.	0.53	0.55	0.54	0.50	0.43	0.61	0.53
Postpaid Voluntary Churn	% per month	1.3%	1.4%	1.2%	1.2%	1.1%	0.9%	1.3%
Postpaid Company Initiated Churn	% per month	1.6%	1.7%	1.6%	1.4%	1.5%	2.2%	1.5%
Prepaid Churn	% per month	1.2%	2.8%	0.5%	2.2%	2.1%	1.1%	1.6%
VAS + Data Revenues as a % of Wireless Revenue	%	15.4%	14.3%	13.9%	14.8%	18.5%	13.2%	14.6%
Wireline Services								
Customers	Nos. '000	563	595	620	657	681	533	657
ARPU ***	Rs. per month	1,071	987	911	900	861	1,116	961

* Average Revenue per User & Average MOU per User from Q1-11 are computed considering Subscriber base of Revenue Earning Customers(REC)

** Only Voice MOUs considered. Local on net MOUs have been counted twice

*** Wireline revenues are inclusive of one time revenue from dark fibre and bandwidth sale: Rs. 16.7 Cr. in Q1-10, Rs. 4.6 Cr in Q2-10, Rs. 1.2 Cr in Q3-10 & Rs 13.64 Cr in Q4-10



Other Details

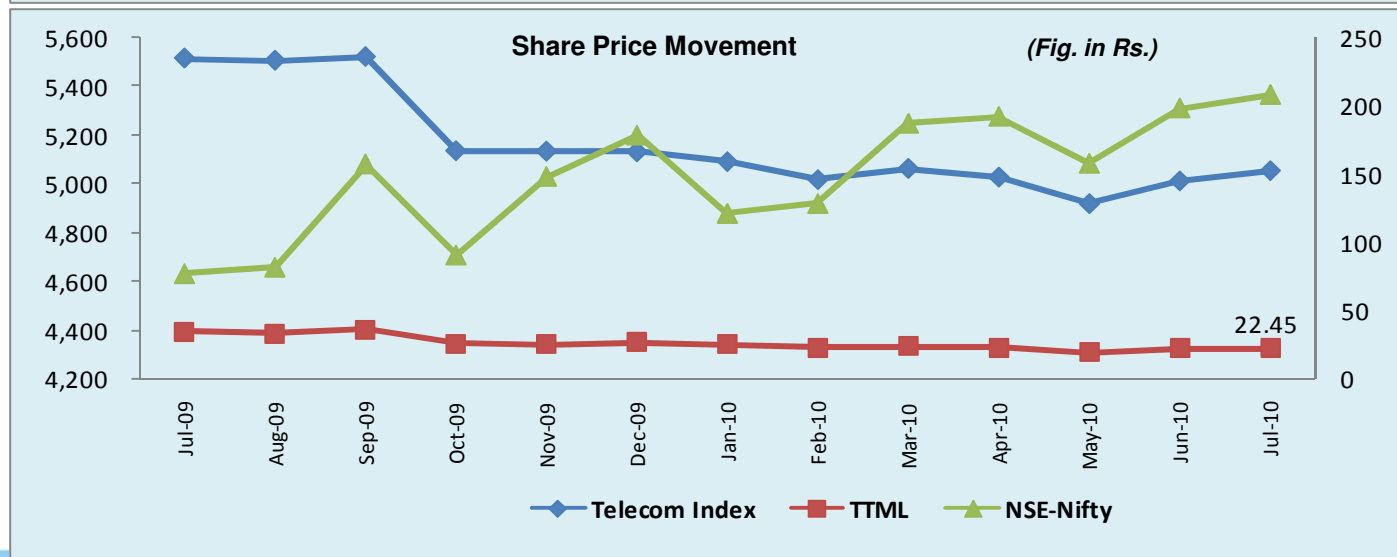
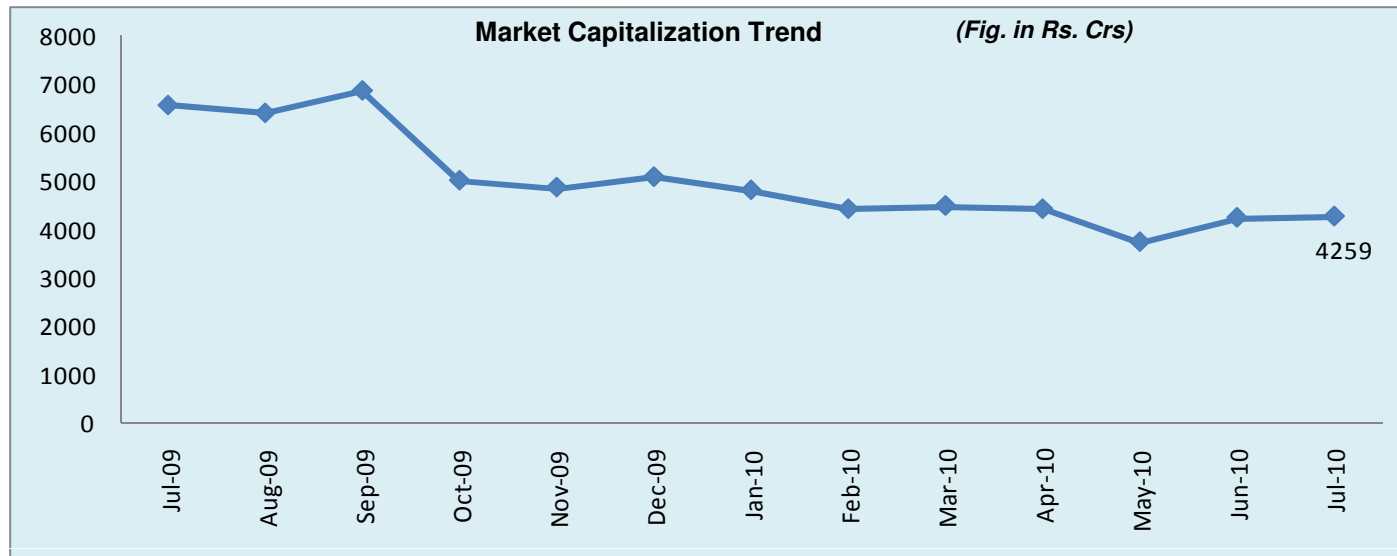


Particulars	Units	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Wireless Services						
Minutes on Network *	Mn Min	6,301	6,705	7,957	8,713	9,065
Census Towns	Nos.	330	331	331	331	331
Non-Census Towns and Villages	Nos.	10,574	10,724	10972	11090	11145
Population Coverage (excluding Mumbai)	Nos. lacs	720	722	725	727	727
Network Sites	Nos.	2,703	5,643	6373	7645	8107
Optic Fibre Network	Km	9,154	9,355	9543	9657	9963
TTML Balance Sheet data (Standalone)						
Gross Debt	Rs. Cr	3,185	3,348	3,447	3,609	4,601
Net Debt	Rs. Cr	3,165	3,314	3,426	3,586	4,370
Gross Block (including Capital WIP)	Rs. Cr	5,133	5,432	5,611	5,771	7,177

* Only Voice MOUs considered. Local on net MOUs have been counted twice.



Market Capitalization & Share Price (As on 2nd August, 2010)



Source: NSE

Note: Telecom Index is the weighted average of all listed Telecom Companies providing telephony services



THANK YOU

