

Analyst Call Q2 FY 10-11

Tata Teleservices (Maharashtra) Ltd.
October 26, 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.

Agenda

1 Industry Highlights

2 TTML Key Highlights

3 Financials for H1 FY11

Market Overview

	India	Maharashtra (excl. Mumbai)	Mumbai
Population as of 2009 (Mln)	1166.9	101.2	20
Wireless Base as on Sep 2010 (Mln)	687.8	50.7	31.3
Wireless Teledensity	59%	50%	156%
Q2 FY 11 subscriber growth over Q2 FY 10	46.9%	41.3%	40.3%
Q2FY 11 TTML subscriber growth over Q2 FY 10		54.0%	68.3%

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

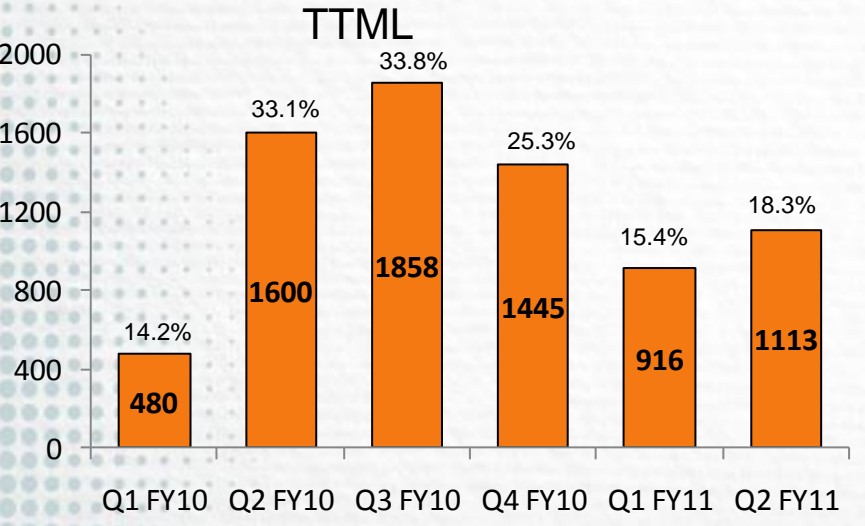
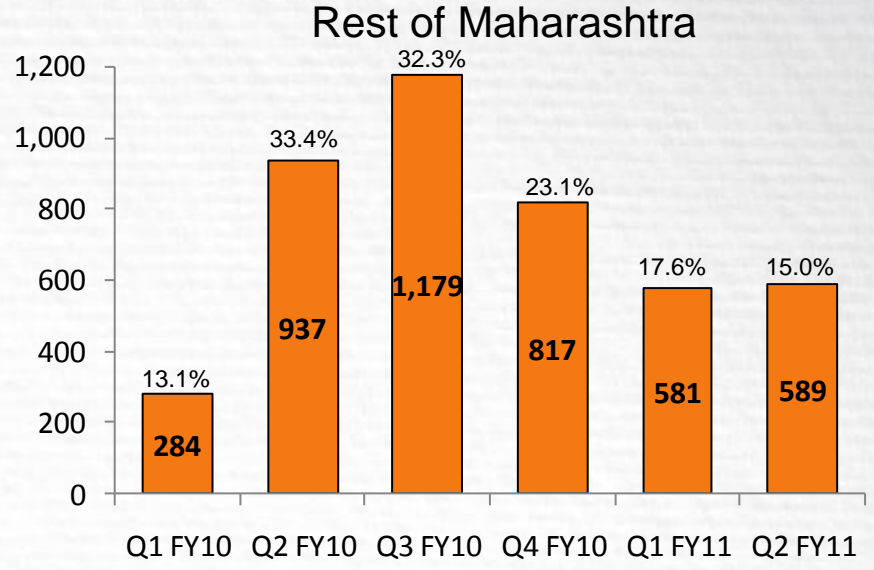
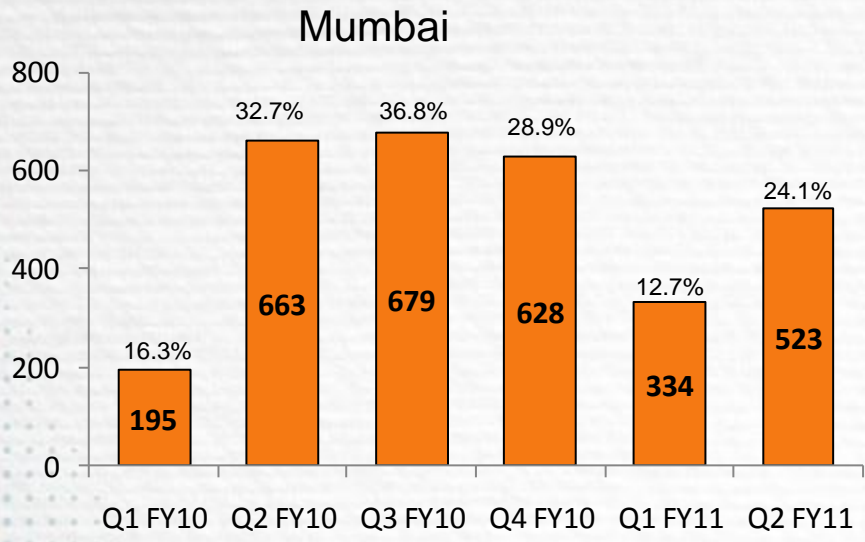
•Source: MMRDA report (Population and Employment profile of Mumbai Metropolitan region), Wikipedia & TRAI Subscriber Report

•For the month of September 10, considered the report of Telecom watch. The CDMA BSNL and MTNL nos are not released hence Net Adds for Sep '10 considered the same as Aug '10

Market Overview – TTML’s competitive position



Wireless Incremental Market Share



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

Source: TRAI Subscriber Report & Telecom Watch report for Sep'10. The CDMA BSNL and MTNL nos are not yet released; hence Net Adds for Sep '10 considered the same as Aug '10

* Absolute Net Additions in '000s

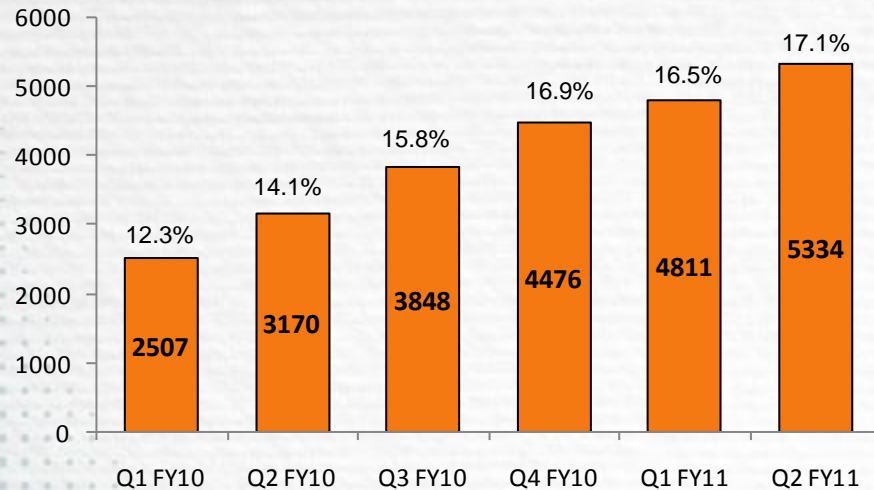


Market Overview – TTML's competitive position

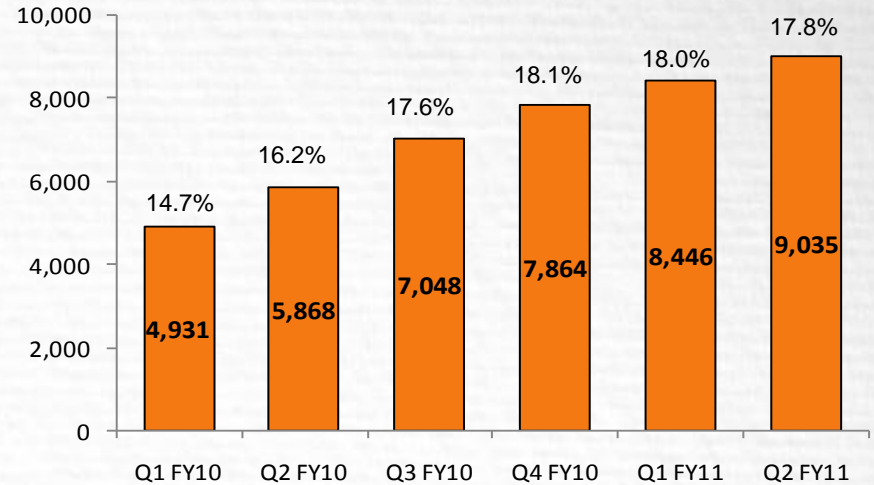


Wireless EOP Market Share

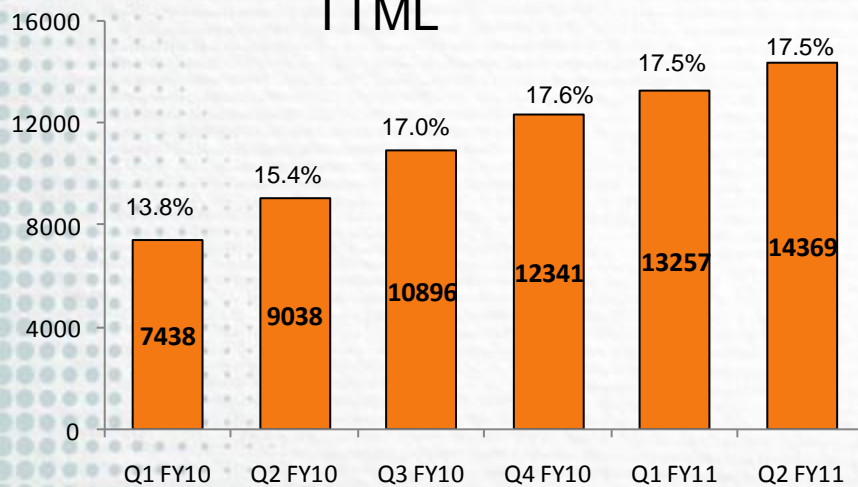
Mumbai



Rest of Maharashtra



TTML



TTML is the 2nd largest wireless operator in this geography

Source: TRAI Subscriber Report & Telecom Watch report for Sep'10. The CDMA BSNL and MTNL nos are not released hence considered the same as Aug-10

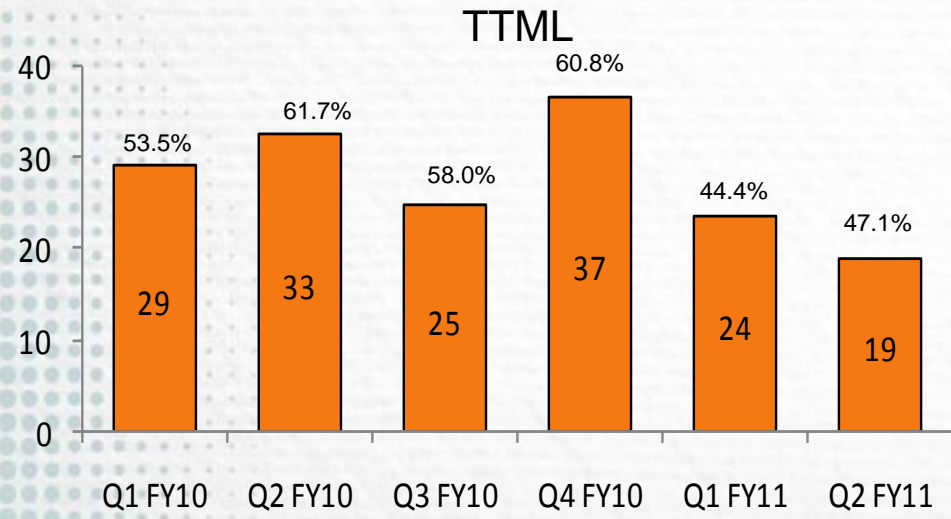
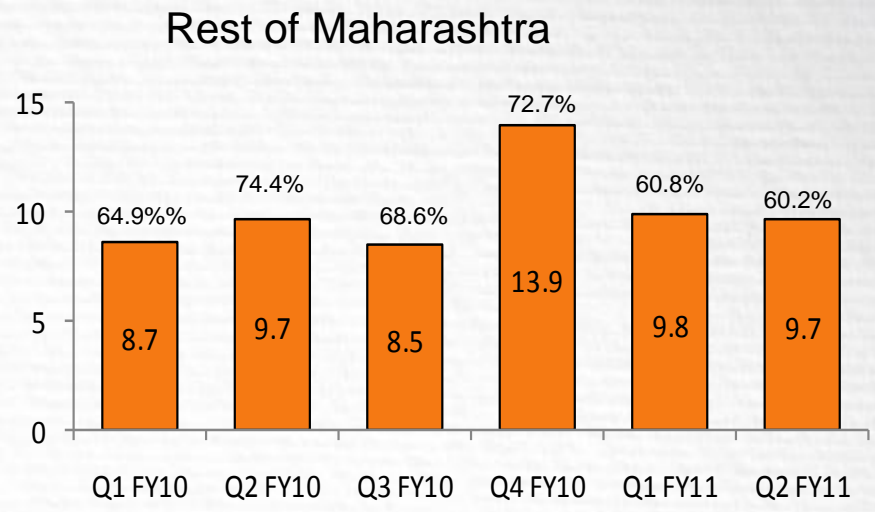
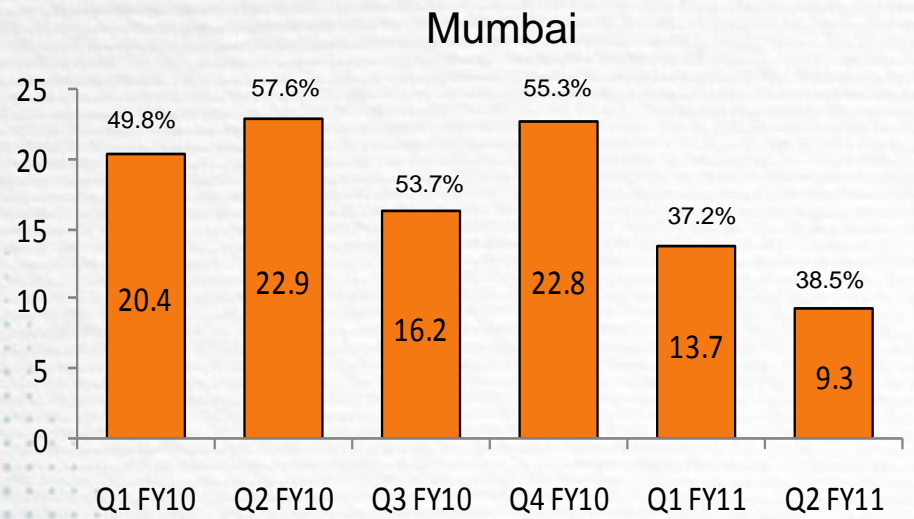
* EOP subs figure in '000s



Market Overview – TTML amongst private players



Wireline Incremental Market Share



TTML continues to maintain its leadership position in the Wireline segment

* Absolute Net Additions in '000s

Source: TRAI Subscriber Report & Telecom Watch report for Sep'10.

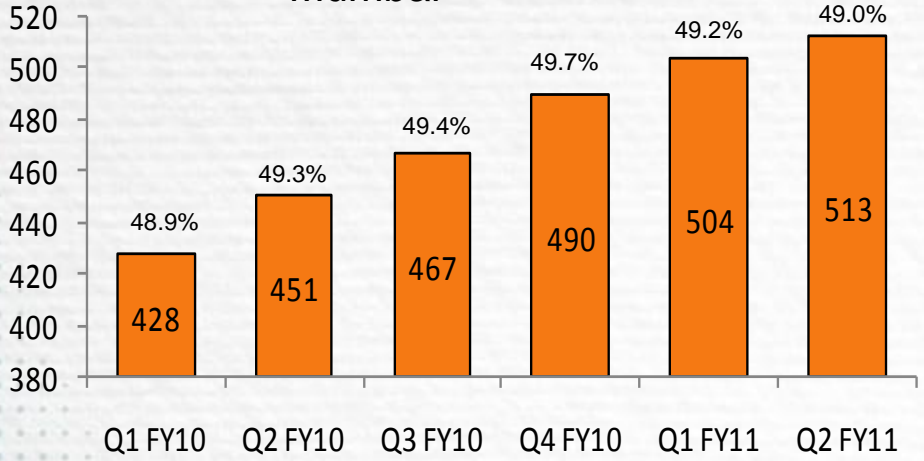


Market Overview – TTML amongst private players

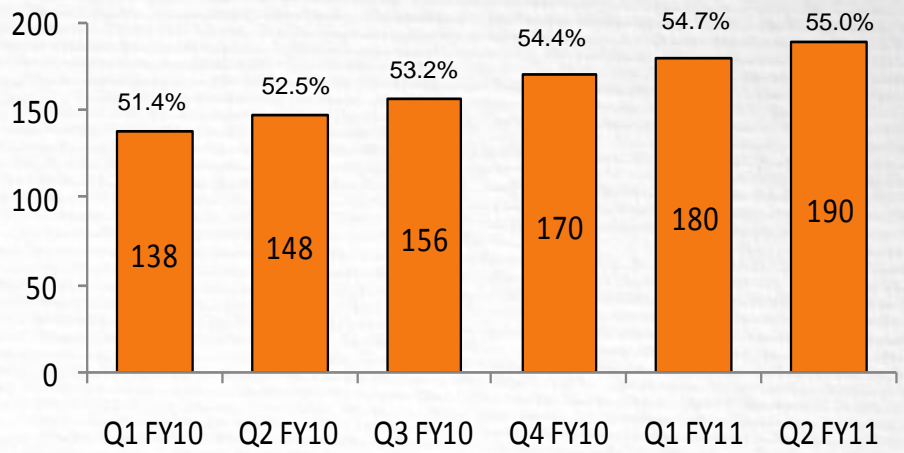


Wireline EOP Market Share

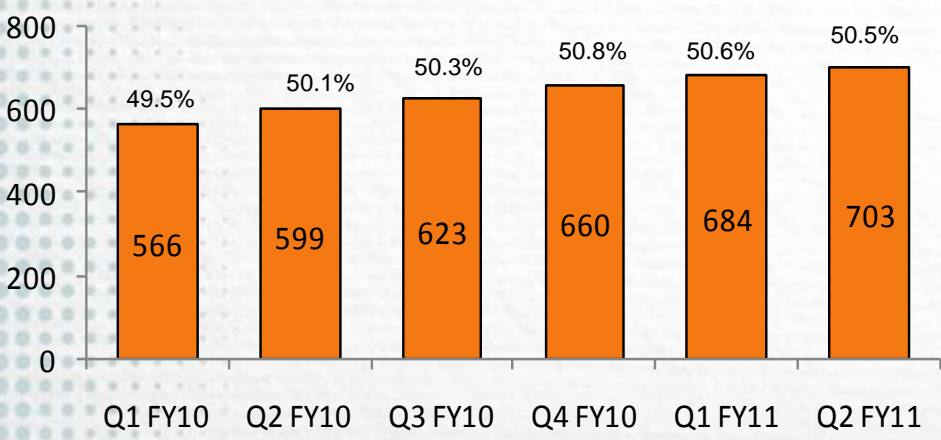
Mumbai



Rest of Maharashtra



TTML



TTML continues to maintain its market leadership in the Wireline segment

Source: TRAI Subscriber Report & Telecom Watch report for Sep'10.

Note: Incremental Market Share is calculated only for private players

* EOP subs figure in '000s



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1 **Industry Highlights**

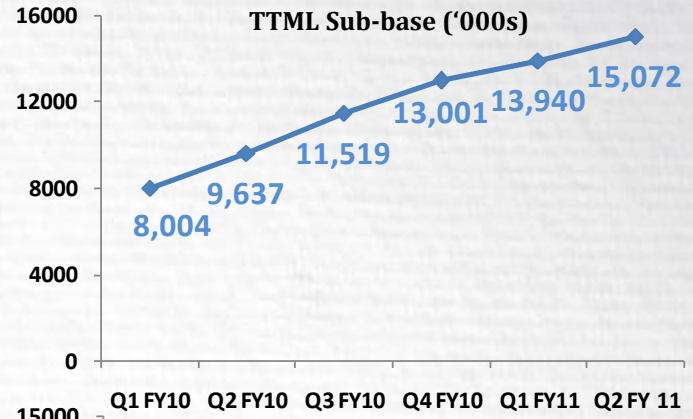
2 **TTML Key Highlights**

3 **Financials for H1 FY11**

TTML Key Milestones in Q2 FY11

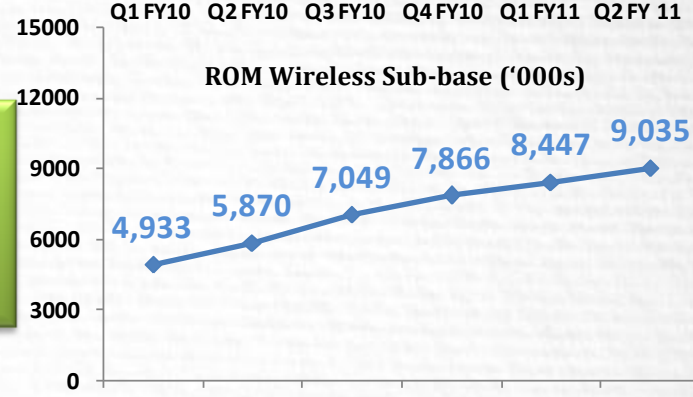
TTML

Total Subscriber base crossed 15 million; includes 700,000 wireline subscribers



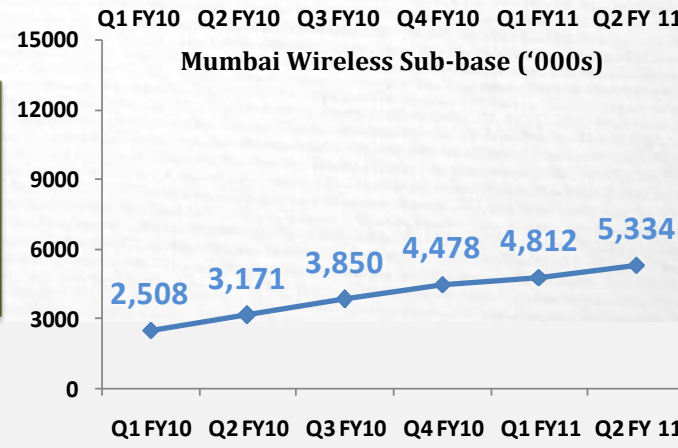
Rest of Maharashtra

2 Wireless Operator Crossed 9 million Wireless Subs



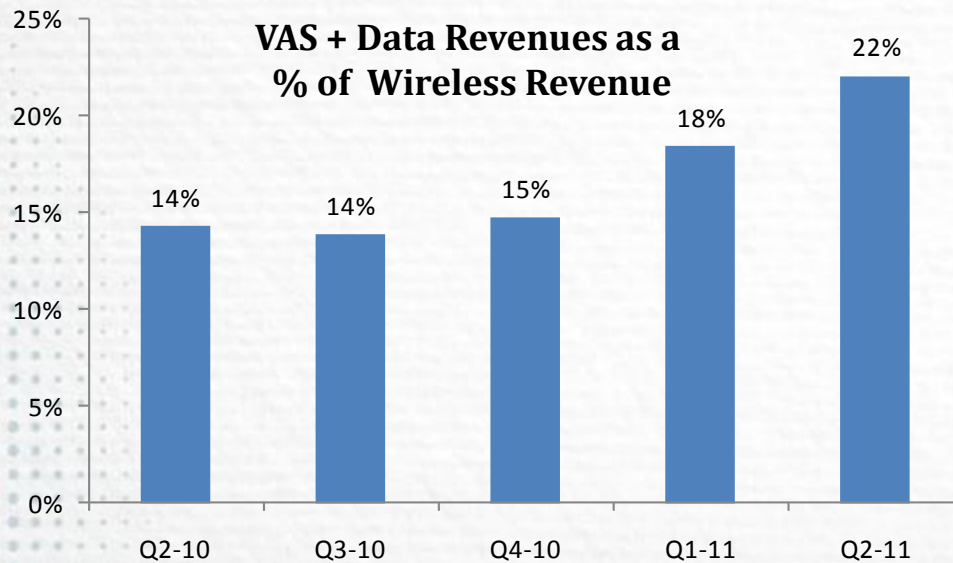
Mumbai

3 Wireless Operator Crossed 5 million Subscribers



TTML Key Milestones in Q2 FY11

Continuous focus on Data growth and superior network coverage.



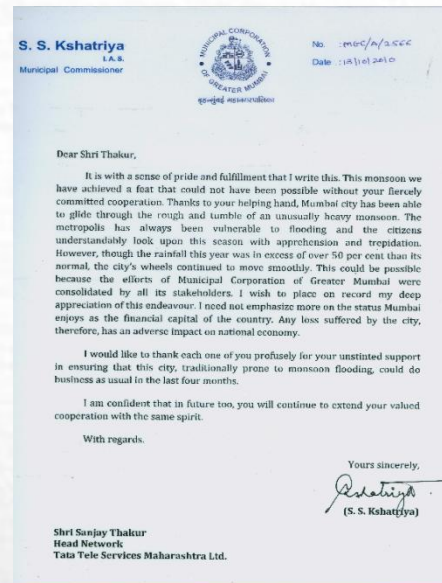
VAS & Data Revenues for TTML have constantly grown over past quarters and contribute to 22% of Wireless Revenues

Awards & Recognition for TTML



- TTML was honored with the prestigious Maharashtra State IT Award in the Service Provider (Telecom/ISP) category by the Directorate of Industries, Govt. of Maharashtra
- The award is for the effort towards promoting entrepreneurship, IT/ITES industry development and employment in the state

- TTML amongst 4 other private telecom operators and 2 NGOs has been honored with an award from the BMC towards its contribution in the Disaster Management Cell
- BMC's central DM team & wards use TTML phones and the BMC commissioner wrote a letter of appreciation to the Network team for maintaining high availability ensuring an trouble free monsoon

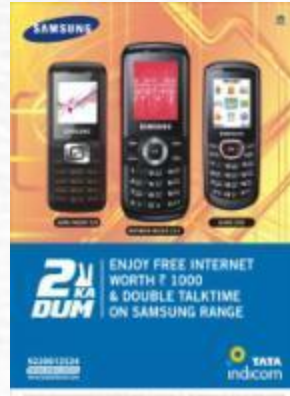


Key Product Interventions in Q2

Photon Plus Unlimited



OMH promotional recharges – Samsung/ Zen



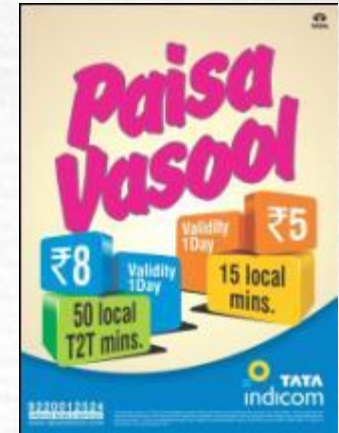
ULTA Plan



Lets Rock – Season 4



Small Denomination/ Local Recharges



■ Photon Plus – Exclusive Youth offer

- At Rs.1999, 10 GB with night surfing free
- Unlimited offer at Rs.999/-

■ Launch of Walky with FM

■ Ulta Plan launched to drive STD usage



Innovative Marketing campaigns in Q2

- Visible branding at key locations covering pandals like Lalbaug during Ganesh festival



- Innovative branding of Tata Photon+ along Carter Road
- Tata Photon+ also sponsored a very acclaimed Prithvi Theatre play called **'Disappearing Number'**



GSM : Key Product/ Marketing interventions in Q2



Prepaid products targeted at capturing youth segment, promote GPRS and ISD usage through specific products

Bundled offers to postpaid customers

JUST 2 SIMPLE

The 1-2 plan

1. Local & STD calls to TATA nos. @ 1p/2 secs
2. Local & STD calls to other nos. @ 5p/6 secs

CALL MESSAGES

DOCOMO

100% Extra.

Pay for 30 secs. Get next 30 secs free.

DOCOMO

MONSOON Jodi Offer

Your Tata Photon+ comes with a special gift: A complimentary TATA DOCOMO connection.

- Avail 20% off on the monthly rental of TATA DOCOMO connection
- Complimentary GSM
- Zero activation fees
- Zero security deposit
- No extra documentation

Focused Roadshows

Full talktime + a lot extra

Rs. 333 + 6660 seconds to all local TATA nos.

Rs. 444 - local calls @ 1p/2sec

Rs. 555 - local calls @ 5p/2sec

Rs. 222 via email

DOCOMO

EKDUM LOADED

- LOCAL @ 1p/6sec to TATA Nos
- STD @ 1p/2sec to TATA Nos
- SMS @ 10p
- 2GB Internet

DOCOMO



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Scorecard : Q2 FY11 & H1 FY11

Q2 10 Actuals	Particulars	Q1 11 Actuals	Q2 11 Actuals	H1 10 Actuals	H1 11 Actuals
96	EOP Subscribers (Nos. in lacs)	139	151	96	151
24	Gross Addition (Nos. in lacs)	18	28	32	46
16	Net Addition (Nos. in lacs)	9	11	21	21
545	Total Revenue (Rs.Cr)	563	582	1056	1145
111	EBITDA (Rs.Cr)	118	118	264	236
20%	EBITDA Margin (%)	21%	20%	25%	21%
21	Cash Profit (Rs.Cr) - excl. Forex Loss / Gain	41	43	111	84
16	Cash Profit (Rs.Cr)	28	44	103	72
(108)	PAT before Tower Divestment impact (Rs.Cr)	(112)	(98)	(131)	(210)
-	Profit from Tower Divestment net of Contingencies	670	-	-	670
(108)	PAT after Tower Divestment impact (Rs.Cr)	558	(98)	(131)	460

Key Parameters



Particulars	Units	Quarter Ended					Year Ended	
		Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	FY-09	FY-10
Wireless Services								
CDMA	Nos. '000	7,388	7,887	8,122	8,359	8,699	6,962	8,122
GSM	Nos. '000	1,653	3,012	4,222	4,900	5,673	-	4,222
Total Subscribers Base	Nos. '000	9,041	10,899	12,344	13,260	14,372	6,962	12,344
Prepaid Subscribers as a % of EOP Subscribers	%	92%	93%	94%	94%	95%	91%	94%
Wireless Subscribers Market Share	%	15.5%	17.0%	17.6%	17.5%	17.5%	13.9%	17.6%
Average Revenue per User *	Rs. per month	148	143	125	164	170	198	135
Avg. MOU per User *	Min. per month	271	266	250	384	403	326	256
Rate per Minute **	Rs.	0.55	0.54	0.50	0.43	0.42	0.61	0.53
Postpaid Voluntary Churn	% per month	1.4%	1.2%	1.2%	1.1%	1.1%	0.9%	1.3%
Postpaid Company Initiated Churn	% per month	1.7%	1.6%	1.4%	1.5%	6.4%	2.2%	1.5%
Prepaid Churn	% per month	2.8%	0.5%	2.2%	2.1%	3.0%	1.1%	1.6%
VAS + Data Revenues as a % of Wireless Revenue	%	14.3%	13.9%	14.8%	18.5%	22.1%	13.2%	14.6%
Wireline Services								
Customers	Nos. '000	595	620	657	681	700	533	657
ARPU ***	Rs. per month	987	911	900	861	899	1,116	961

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

** 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. 4.6 Cr in Q2-10, Rs. 1.2 Cr in Q3-10, Rs 13.64 Cr In Q4-10 & Rs 16.19 Cr in Q2-11

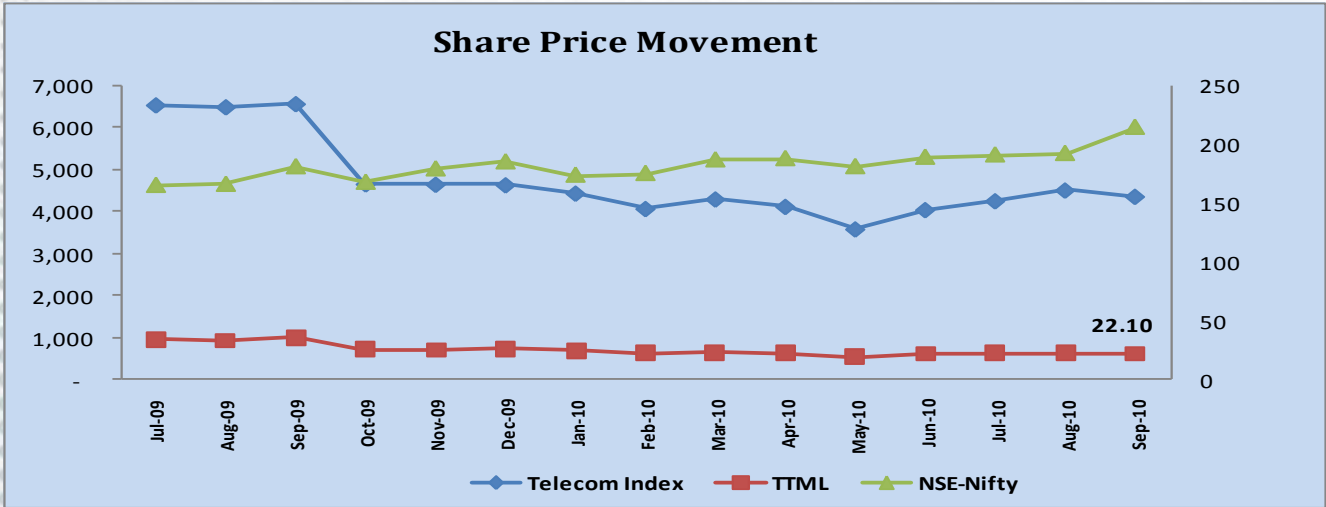
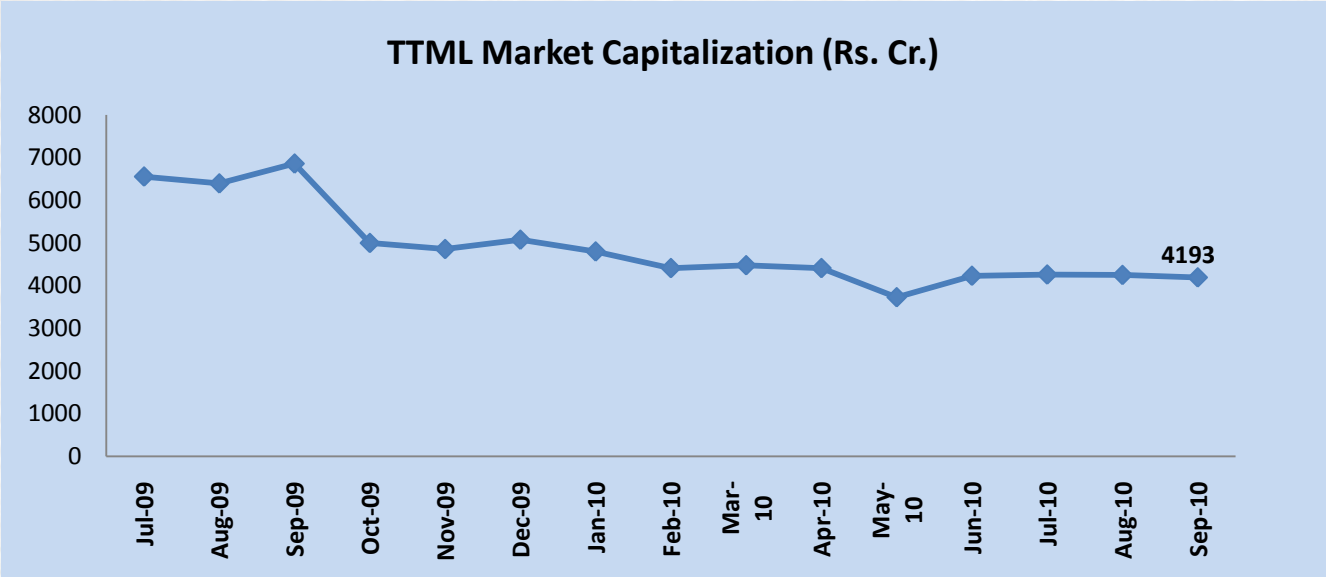
Other Details



Particulars	Units	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11
Wireless Services						
Minutes on Network *	Mn Min	6,705	7,957	8,713	9,065	9,171
Census Towns	Nos.	331	331	331	331	331
Non-Census Towns and Villages	Nos.	10,724	10972	11090	11145	11205
Population Coverage (excluding Mumbai)	Nos. lacs	722	725	727	727	728
Network Sites	Nos.	5,643	6373	7645	8107	8280
Optic Fibre Network	Km	9,355	9543	9657	9963	10014
TTML Balance Sheet data (Standalone)						
Gross Debt	Rs. Cr	3,348	3,447	3,609	4,601	4,500
Net Debt	Rs. Cr	3,314	3,426	3,586	4,370	4,193
Gross Block (including Capital WIP)	Rs. Cr	5,432	5,611	5,771	7,177	7,318

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

Market Capitalization & Share Price



Source: NSE

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



Thank You