

# Analyst Meet

## Q1 FY09

Tata Teleservices (Maharashtra) Limited

31 July 2008



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## 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.



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	India	Maharashtra (excl. Mumbai)	Mumbai
Population as on July 2007 (Mln)	1129.8	99.8	18
Wireless Base as on June 2008 (Mln)	286.8	22.5	14.5
Wireless Teledensity	25%	23%	81%
Q1 09 subscriber growth over Q4 08	10%	9%	6%
Q1 09 TTML subscriber growth over Q4 08		12%	9%

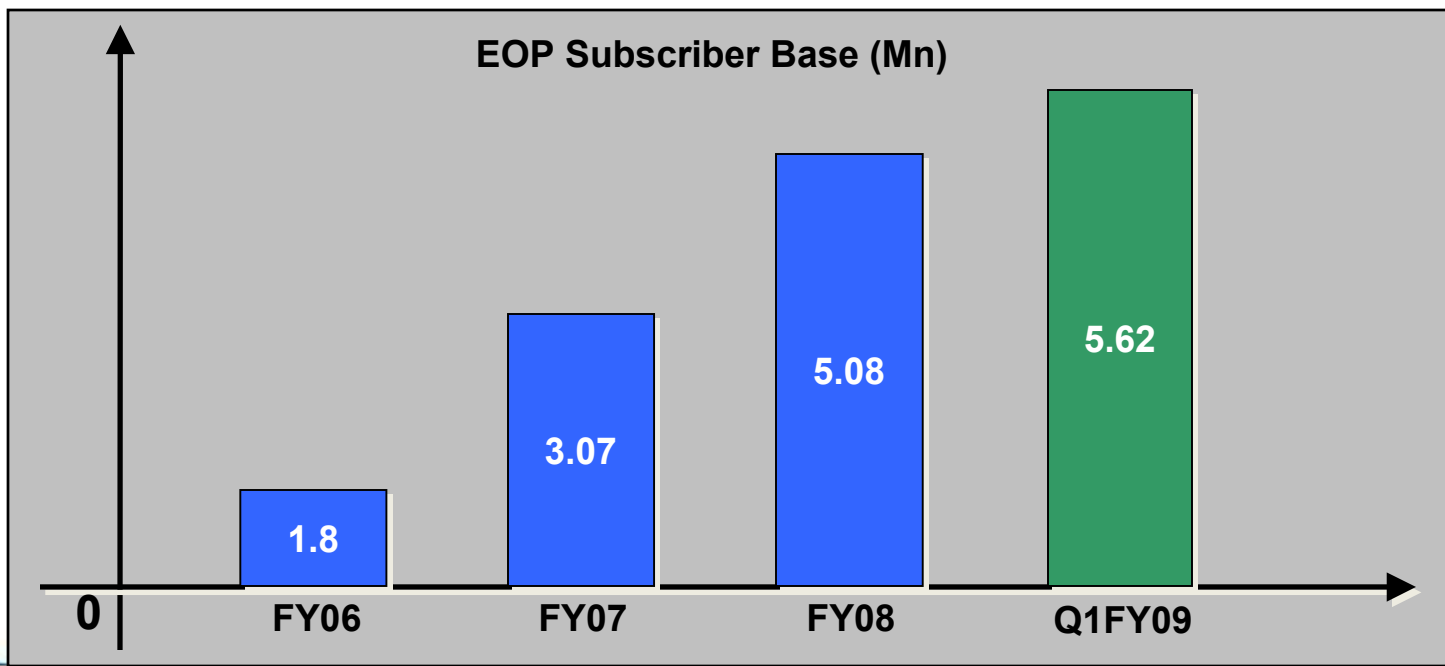
Source: Department of Economics & Statistics, Tata Services Ltd. & TRAI Subscriber Report

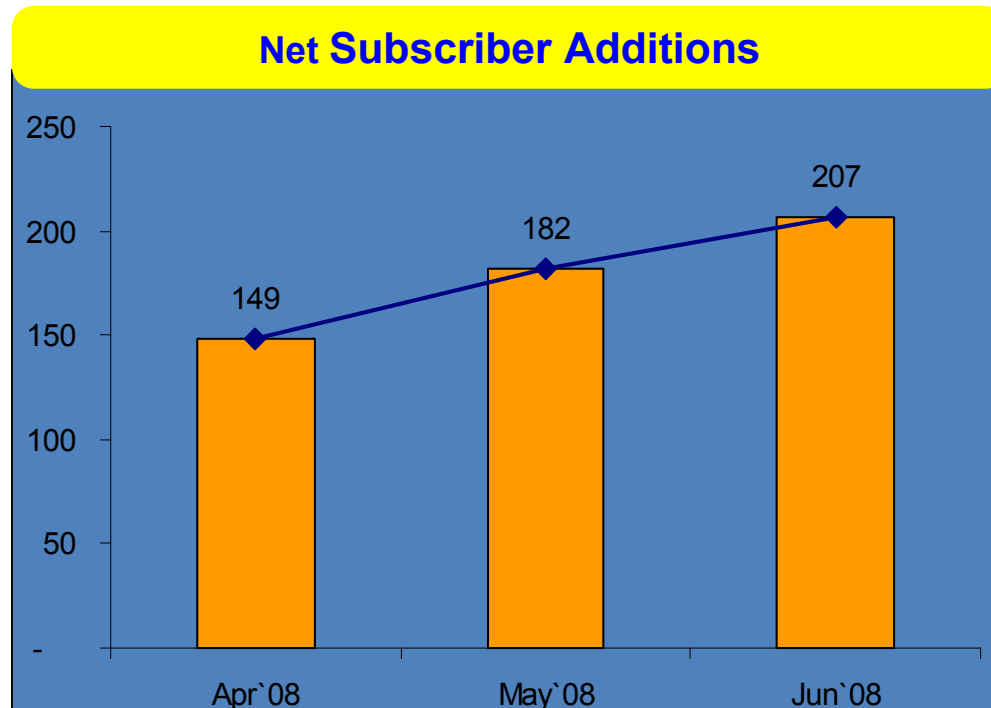
# TTML EOP Subscribers & Market Share



Year	FY06	FY07	FY08	Q1FY09
EOP Subscribers in millions	1.8	3.07	5.08	5.62
EOP Wireless Market Share	10.5%	12.1%	13.5%	14%
Incremental Wireless Market Share	12.5%	15.2%	15.8%	18.3%

Source: TRAI Subscriber Report





**TTML's Maharashtra circle crosses 3mln  
End of Period wireless subscribers**

Source: TRAI Subscriber Report



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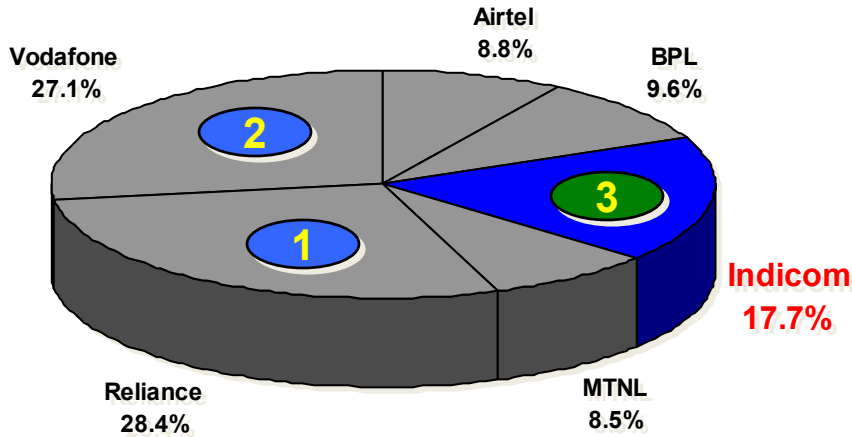


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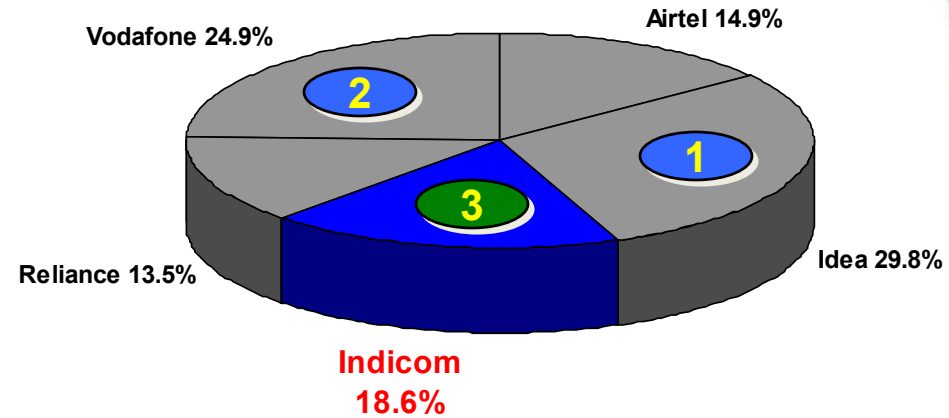
# Wireless Incremental Market share Q1 08-09



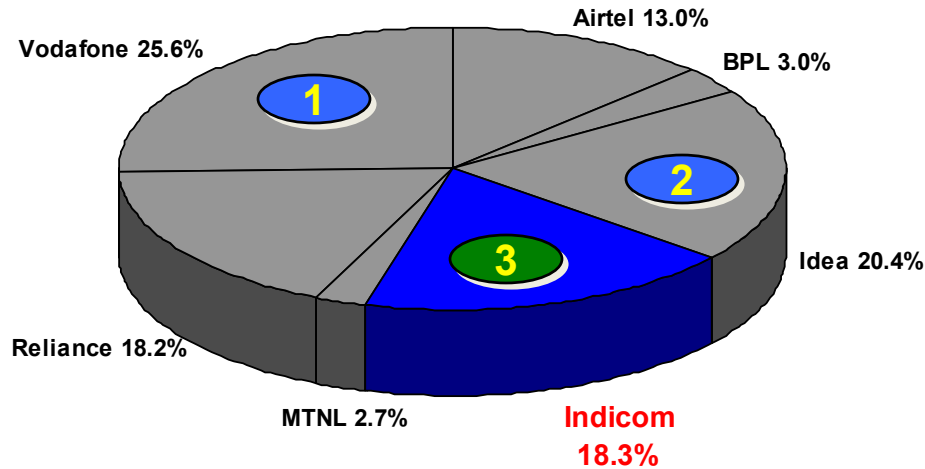
## Mumbai



## ROM



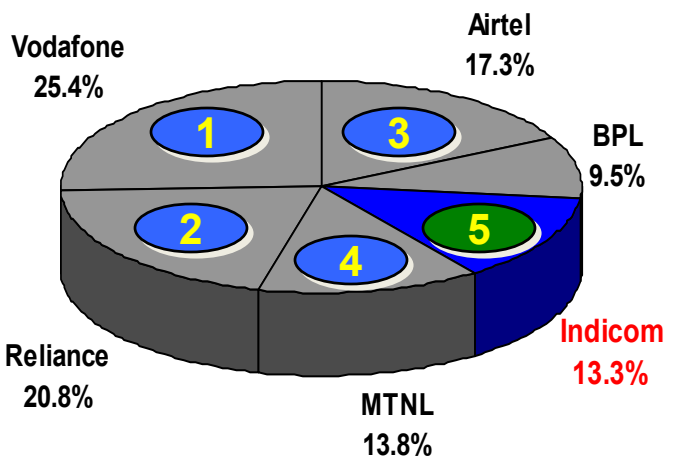
## TTML



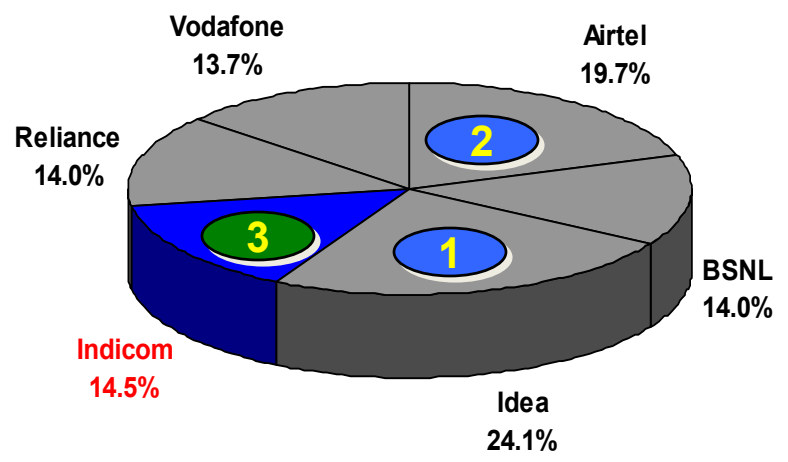
# Wireless EOP Market share Q1 08-09



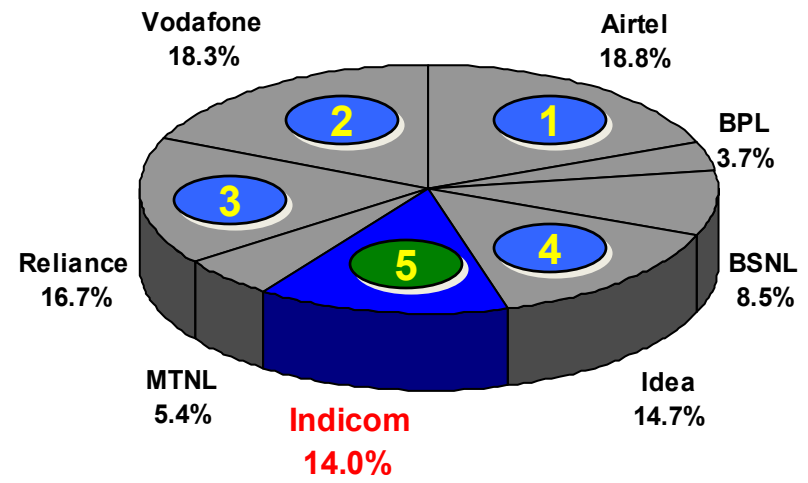
## Mumbai



## ROM



## TTML



# SCORECARD Q1 FY08 Vs Q1 FY09

	Q1 FY08 Actual	Q1 FY09 Actual	% Performance
EOP Subscribers (Nos. in millions)	3.48	5.62	161%
Total Revenue (Rs.Crs.)	410	505	123%
EBITDA (Rs.Crs.)	100	155	154%
EBITDA Margin %	25%	31%	124%
Cash Profit (Rs.Crs.) (excl. Forex Loss/Gain)	60	100	167%
Cash Profit (Rs.Crs.)	75	80	106%
PAT (Rs.Crs.)	(28)	(35)	(125%)



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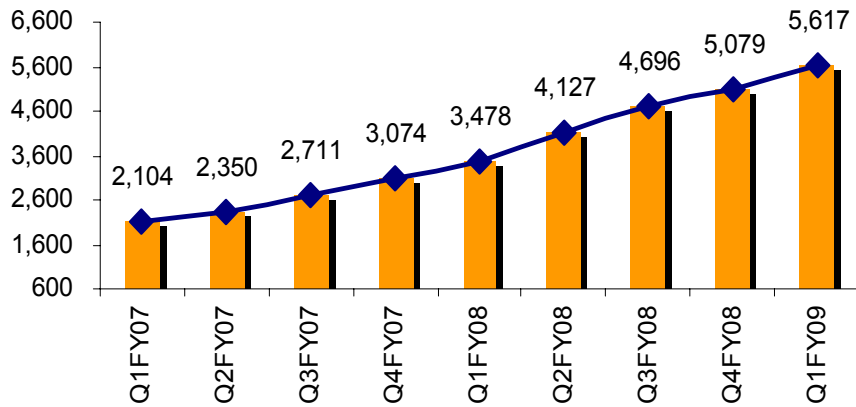
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# Quarterly Performance

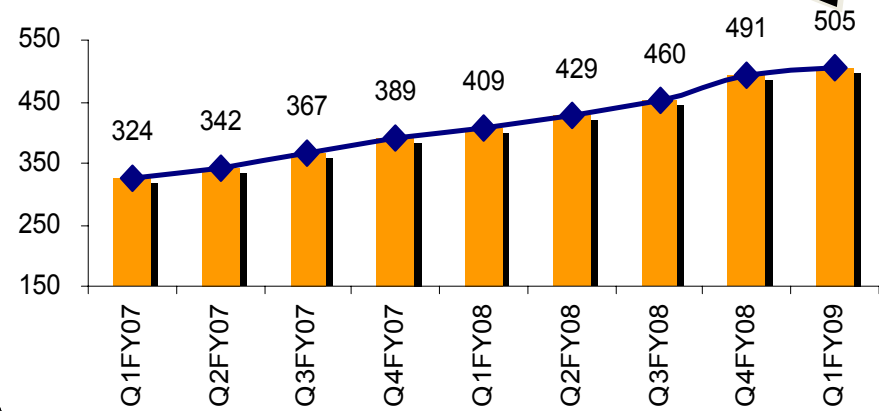


**Crossed 500 Crs.**

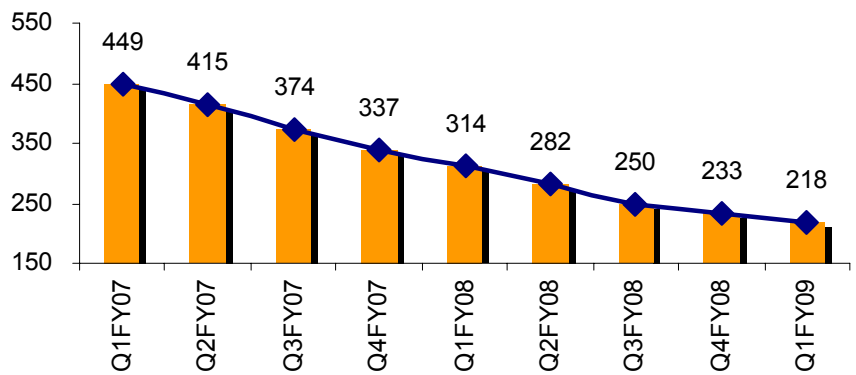
### EOP Subscriber Base ('000)



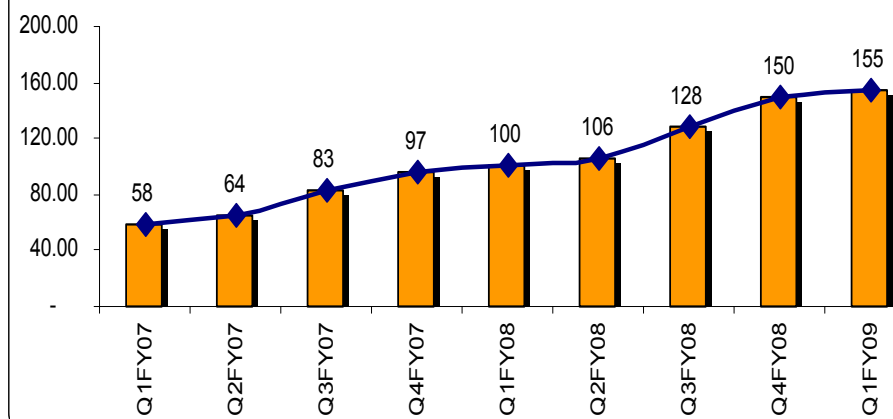
### Revenue (Rs.Cr.)



### Operational Cost per Sub (Rs.pm)



### EBITDA (Rs.Cr.)



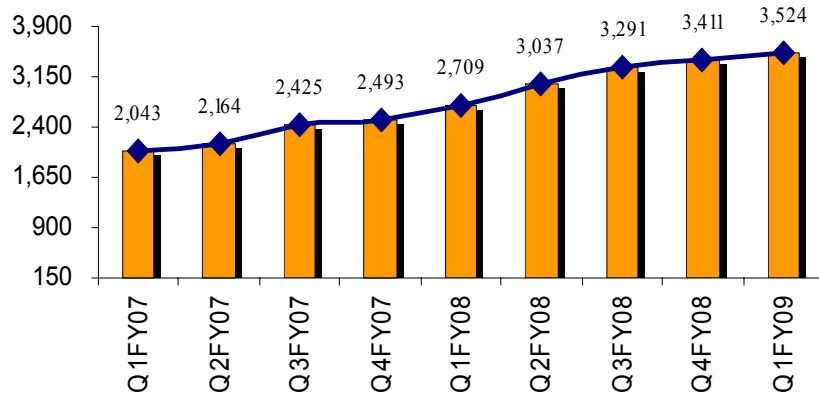
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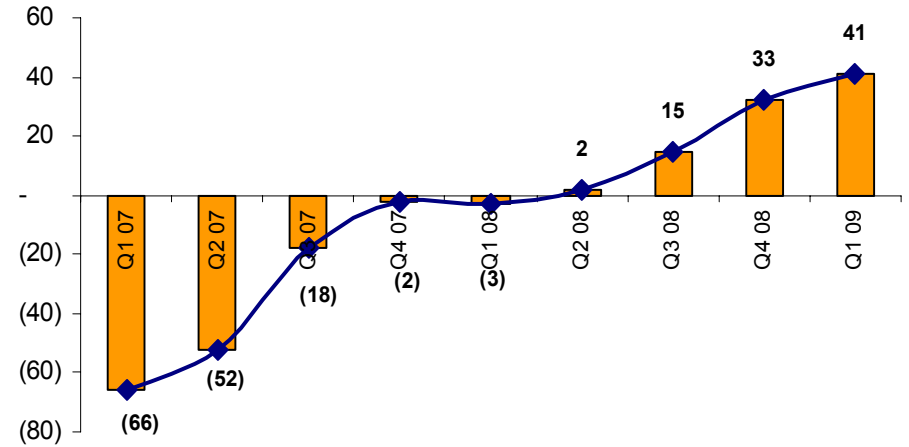
# Quarterly Performance



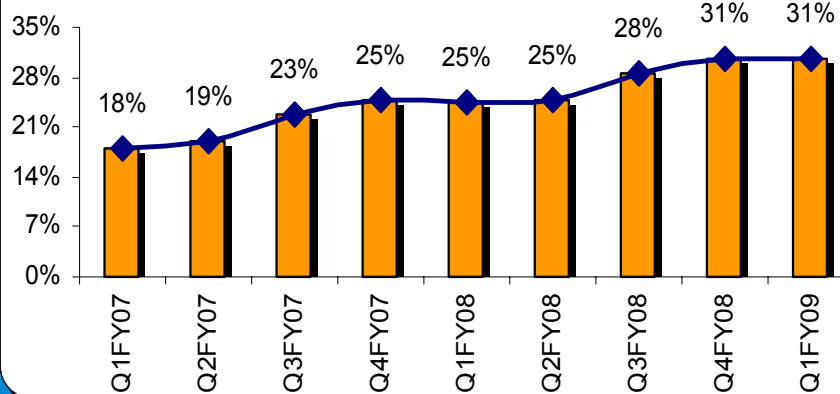
### Productivity (Subs per Employee)



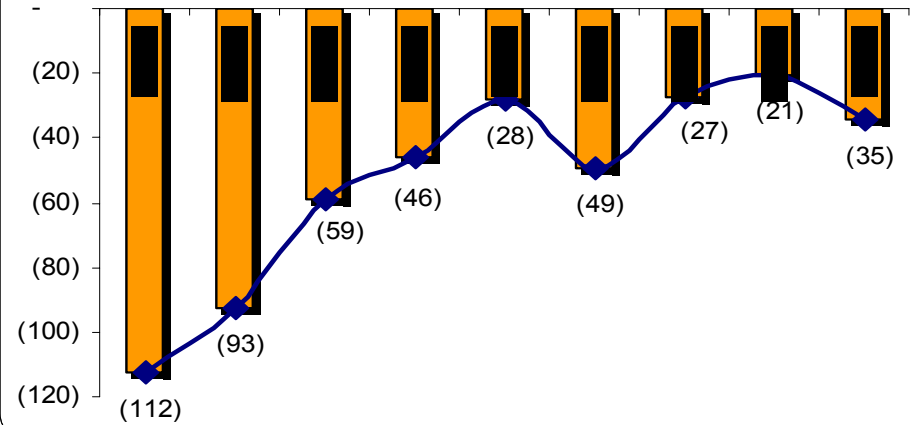
### EBIT(Rs.Cr.)



### EBITDA Margin (%)



### PAT(Rs.Cr.)



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1

**Optimize Costs & Enhance Margins**



2

**Build Indicom Brand**



3

**Enhance Network Rollout**



4

**Focus on Customer Service**



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- Focus on monetization of assets – e.g. sale of Towers
  - Shareholder approval received; data room prepared for potential bidders
- Reduced reliance on free on-net calling; reduced free internet access on broadband plans
- Recharge commission structure brought more in line with the market



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- Aggressive Indicom branding in 2008-09, with a 360 Degree Approach

## Tactical

- Outdoors
- Television
- FM (9 stations)
- Press Advertising
- Point of sales merchandize
- Digital Signage at Airport

## Thematic

- Pole Kiosk , Pedestal booth, VMS
- Retail signage
- Neon signs

- Product Initiatives



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# Product Initiatives

- Launch of Sachet Packs – TATA 4567; offering special tariffs for a day



# Product Initiatives



- Launch of calling cards using Tata Communications IN platform on revenue share basis

International Departure 16:57

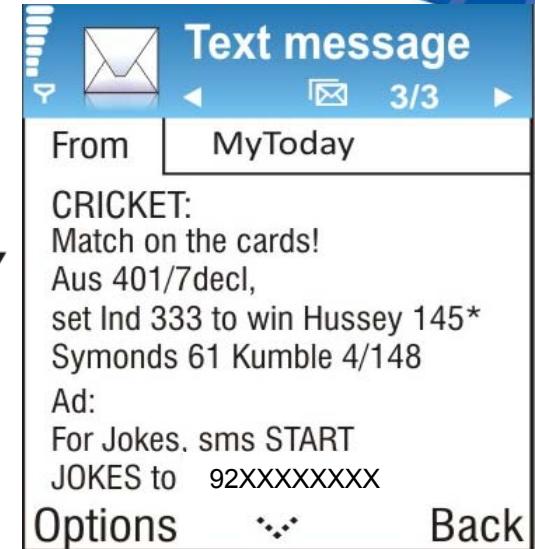
Plan	Destination	Rate (Rs.)
SA 122	UK	On Time
NA 077	US	On Time
PA 897	CANADA	On Time
DA 756	GULF	On Time

**Tata Indicom Calling Card.**  
**International calls**  
**as low as Rs. 1.50/min**

Call: 9220012345



- Partnership with Netcore to launch opt-in ad-based SMS services
- Partnership with Novatium to launch sub USD 100 NovaPC
  - Parental control for children
  - Maintenance free, secure access to the internet



# Product Initiatives



- Enhanced focus on fixed wireless product with the launch of cordless Walky Talky

NO WIRES. NO CORDS.  
NO CRACKLING SOUND.

The only thing attached  
to the new Walky Talky is  
a style statement.

**JUST RS. 1499/- FOR LIFE**

6 MONTHS WARRANTY | QUICK ACTIVATION



EXCITING FEATURES THAT WILL FULFILL YOUR DESIRES | SPEAKERPHONE | POLYPHONIC RINGTONES | CALLER ID  
LARGE PHONE BOOK | SEAMLESS VOICE EXPERIENCE | ZERO-ERROR BILLING | AVAILABLE IN 8 & 10 DIGIT NUMBER SCHEME



**Call: 92250 12345**

For more information visit us at [www.tataindicom.com](http://www.tataindicom.com) | Warranty not applicable on battery.

Lifetime period is subject to license period of Sept. 2017 of Tata Teleservices Maharashtra Limited. Instrument from Drive India Enterprise Solutions Ltd.

Instrument will belong to the customer once purchased. In case of any instrument issue please visit the authorised centre of the manufacturer. Customer has to recharge with minimum of Rs. 200/- in 6 months to avail the benefit of Life.



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# Enhance Network Rollout

- Investments made to create Next Generation Networks (NGN) for wireless and wireline services
  - Company determined to sustain its market leadership in wireline services
    - EOP market share in Mumbai – 52%
    - EOP market share in Maharashtra – 51%
- (Only Private players)*



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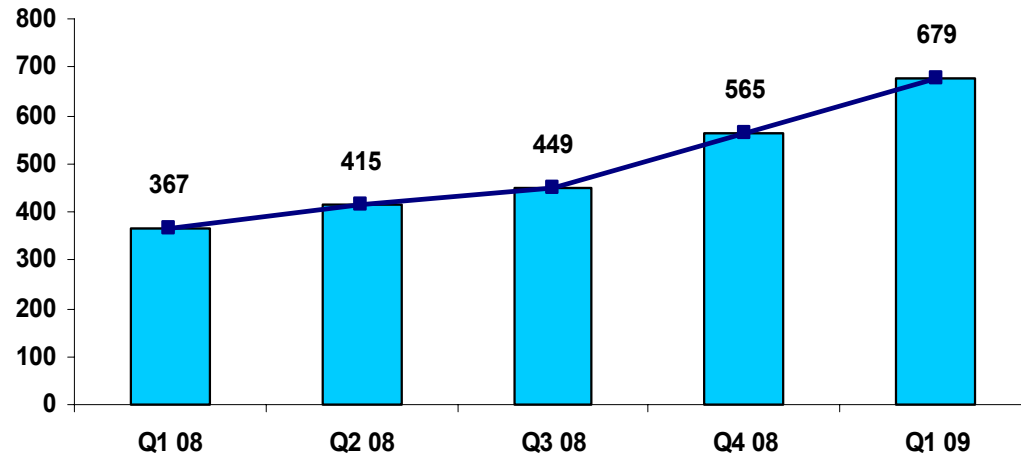


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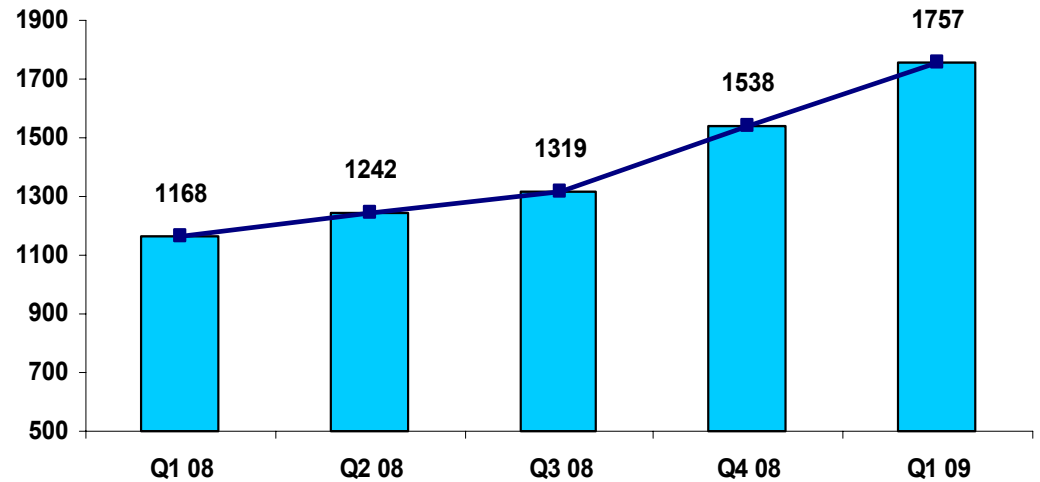


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### EOP Town Coverage



### EOP Cell Sites



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- Improved customer segmentation
  - Youth offering through the Virgin brand
  - Targeted approach towards student segment
    - Launch of [Let's Rock Plan](#)
      - 3 years validity
      - Special tariffs at night after 9pm
      - Already accounts for 25% of sales within first two months
    - Sponsorship of [Radio Mirchi's "Cool Jock"](#)
    - Principal sponsorship of [St. Xavier's "Malhar"](#) youth festival



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- Customer retention programs
  - Loyalty programs
  - Distribution of backup batteries to PCO owners in ROM where there are frequent power cuts
- Improved diversity of [devices for consumers](#)
- Creative use of IT tools, in partnership with TCS
- TRAI [QoS benchmark](#) survey results
  - ***“TRAI report rates TTML network as the best”***  
*2008-07-15 13:58:27 Source : Moneycontrol.com*



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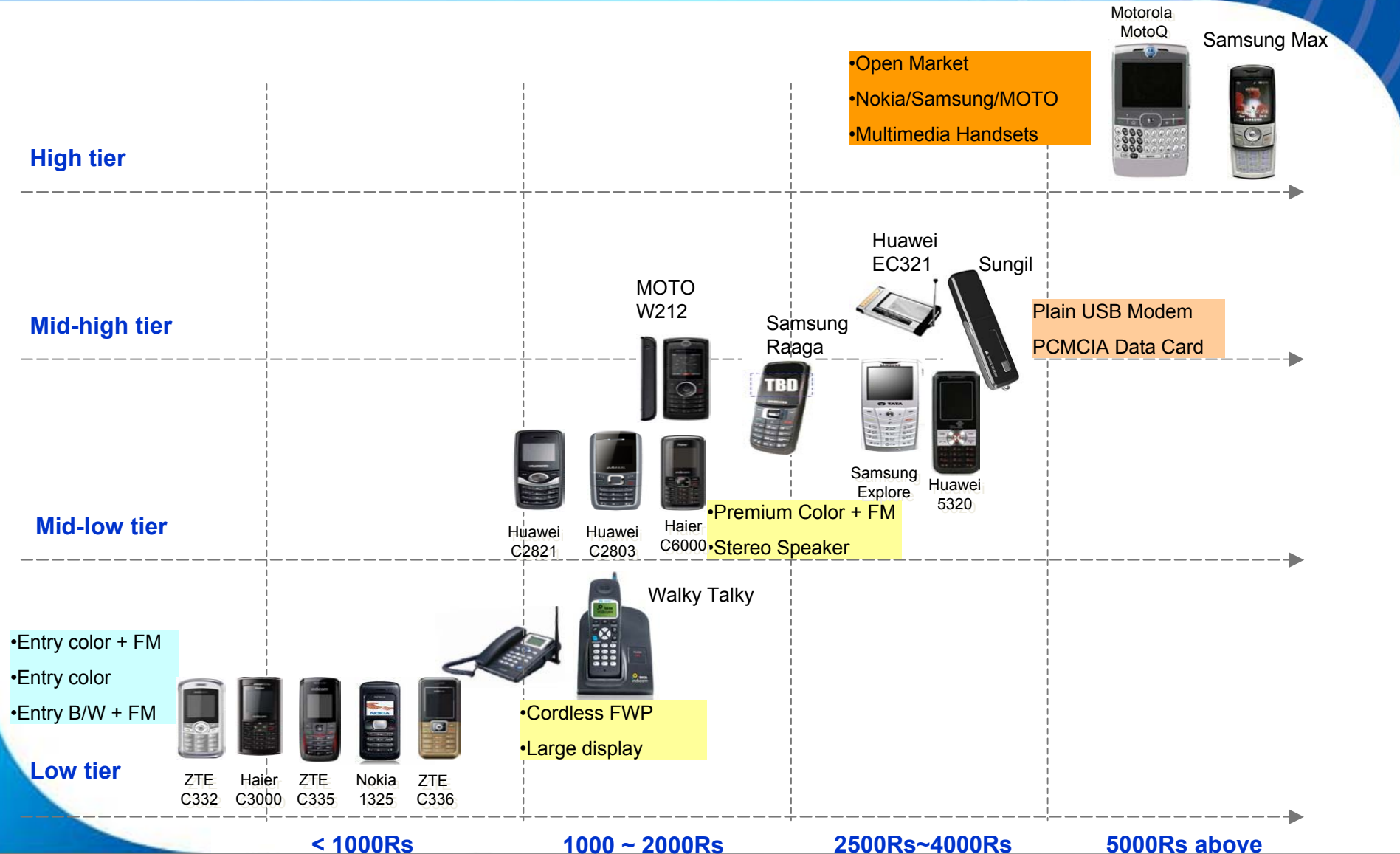


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# Diversity of Devices for Consumers



# Key Performance Indicators



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# Q1 Actuals : Current Yr Vs. Previous Yr

		Rs. Cr	
Jan-Mar 08 Actual	Particulars	Apr-Jun 07 Actual	Apr-Jun 08 Actual
50.8	EOP ( In Lacs)	34.78	56.17
<b>491.19</b>	<b>Net Sales/Income from Telecommunication services</b>	<b>409.60</b>	<b>504.89</b>
	<b>Operating Costs</b>		
82.53	Network operations costs (Incl. Revenue Share)	61.14	82.26
116.38	Interconnect and other access costs	103.81	120.04
24.18	Payments to and provisions for employees	22.73	27.25
47.58	Administration and Customer Service expenses	48.40	49.56
70.19	Marketing and business promotion expenses (Net)	73.14	70.89
<b>340.86</b>	<b>Total</b>	<b>309.22</b>	<b>349.99</b>
<b>150.33</b>	<b>EBITDA</b>	<b>100.38</b>	<b>154.90</b>
<b>31%</b>	<b>EBITDA Margin</b>	<b>25%</b>	<b>31%</b>
48.32	Interest & Other Finance Charges	40.20	54.63
4.47	Forex Loss / (Gain)	(15.20)	20.69
<b>97.54</b>	<b>Cash Profit</b>	<b>75.38</b>	<b>79.57</b>
117.82	Depreciation	103.60	114.09
0.31	Fringe Benefit Tax	0.20	0.20
<b>(20.59)</b>	<b>Loss after Tax</b>	<b>(28.42)</b>	<b>(34.71)</b>

**Q1 Revenues crossed Rs. 500 Cr**



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# Key Parameters

Particulars	Units	For the Quarter Ended				Quarter
		Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
<b>Wireless Services</b>						
Subscribers Base	Nos. '000	3,170	3,794	4,333	4,683	5,190
Prepaid Subscribers as a % of EOP Subscribers	%	82%	85%	86%	86%	87%
Wireless Subscribers Market Share	%	12.7%	13.6%	13.9%	13.5%	14.0%
Average Revenue per User	Rs. per month	303	265	254	254	232
Avg. MOU per User #	Min. per month	395	356	313	302	288
Rate per Minute	Rs.	0.77	0.74	0.81	0.84	0.81
Postpaid Voluntary Churn	% per month	1.1%	0.8%	0.7%	1.1%	0.8%
Postpaid Company Initiated Churn	% per month	2.3%	2.3%	1.7%	1.4%	1.2%
Prepaid Churn	% per month	1.1%	1.1%	1.8%	2.2%	0.8%
VAS Revenues as a % of Wireless Revenue	%	5.1%	5.1%	6.1%	7.2%	7.3%
VAS + Data Revenues as a % of Wireless Revenue	%	8.3%	9.3%	10.4%	11.8%	12.3%
<b>Wireline Services</b>						
Customers	Nos. '000	308	333	363	396	427
ARPU	Rs. per month	1,449	1,411	1,284	1,269	1,260

Q4-08 revenues & ARPU include USO Subsidy for 3 quarters; Q1-09 revenues include USO Subsidy for 2 quarters

# Only Voice & outgoing T2T MOUs considered



Particulars	Units	Quarter Ended	
		Q4-08	Q1-09
<b>Wireless Services</b>			
Minutes on Network	Mn Min	4,083	4,258
Census Towns	Nos.	287	295
Non-Census Towns and Villages	Nos.	7679	7731
Population Coverage	Nos. lacs	602	611
Network Sites	Nos.	1538	1757
<b>Passive Infrastructure Services (Owned)</b>			
Total Towers	Nos.	1172	1236
Ground Based Towers	Nos.	373	382
Roof Top Towers and Others	Nos.	799	854
Optic Fibre Network	Km	6485	6536
<b>Balance Sheet data</b>			
Gross Debt	Rs. Cr	2,627	2,781
Net Debt	Rs. Cr	2,592	2,753
Gross Block (including Capital WIP) *	Rs. Cr	4,650	4,620

\* Rs. 268 Cr fully depreciated assets written off and removed from Gross Block of assets in Q1-09; TDMA assets written off from Gross Block in FY-08.



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# Thank You



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