

GTL results for Quarter ended March 2013

May 08, 2013



Safe harbor

• Neither the information nor any opinion expressed in this presentation constitutes an offer, or invitation to make an offer, or to buy any security issued by the company. This presentation contains predictions, estimates or other information regarding the Company's operations which are forward looking in nature. While these forward looking statements represent our best current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially and may involve risk and uncertainty. This presentation is prepared for general purposes only and does not have any regard to the specific investment objectives, financial situation and particular needs of any specific person. No liability for any loss will arise with the company as a result of the action taken on the basis of information contained herein.

• For a discussion of the risks and uncertainties that may cause results to differ, you should review GTL's filings with stock exchanges, including the annual report and quarterly disclosures.

Industry Overview



Current and future Outlook of telecom



- ❑ All operators face huge penalties
 - ❑ The collective amount of penalties and claims of DOT and Income Tax department amount to app Rs 20,300 Cr.
- ❑ Spectrum will remain expensive
 - ❑ The Supreme Court's judgment of canceling 122 2G licenses and its ripple effect changed the economics of operators. These include Tata Teleservices, Idea, and Vodafone in some circles; Etisalat and Uninor in all circles. Etisalat has shut its operations and Uninor has rebid only in six circles.
 - ❑ Older operators are staring at an outgo of Rs 17,000 crore on account of one time fee
- ❑ License renewal will be litigious
 - ❑ Between 2014 and 2019, most of the licenses of the old operators - Bharti, Vodafone and Idea , the first entrants and operating in the efficient spectrum band of 900 MHz will come up for renewal
 - ❑ The center has fixed the base price at 24,000 Cr for 5 MHz in the 900 MHz band

Current and future Outlook of telecom...



- ❑ The sector is Crowded and the rules do not encourage M&A's
 - ❑ Diminishing returns from the business and the shake up caused by the Supreme Court verdict have reduced the number of operators. Still the competition is stiff with 7-10 players in a circle
 - ❑ Some of the rules relating to M&A in the sector will add to the financial and operating strain facing companies
- ❑ The possibility of policy surprise remains
 - ❑ Telecom, as an Industry is policy intensive, a stable and consistent policy regime which gives the companies confidence to commit and plan for the long term has remained elusive
- ❑ Reliance's new entry will spur rivalries
 - ❑ The sparring over BWA between Reliance Jio on one side and the other front line operators on the other side is a sign of things to come, DOT's recent approval to allow voice services over the internet , is also currently under litigation by the incumbents

Developments in Power Sector



- ❑ The Rs 2 trillion restructuring package to bail out debt ridden Discoms has hit a road block on multiple fronts
- ❑ Discoms have struggled to service their loans due to heavy operational losses in the absence of periodic tariff revisions and transmission and distribution losses;
- ❑ State Governments are unwilling to take on the burden of SEB's on books
- ❑ PSU banks which have the majority exposure to such companies, have reservations about converting half of their debt exposure to State Government bonds

Financials



GTL Q3 Results Q-o-Q at Glance- Consolidated



(in ₹Crore)

Particulars	Q4 FY13	Q3 FY13	Q-o-Q %
Net Sales/ Income from Operations	654.33	715.66	8.56 % ↓
Cost of sales, services and Delivery	503.33	532.23	5.42 % ↓
Employee benefit Expenses	69.10	70.43	1.88 % ↓
Other Expenditures	26.41	29.78	11.31 % ↓
EBITDA	55.49	83.22	
<i>EBITDA Margin</i>	8.48%	11.62%	
Depreciation	74.29	35.52	
Finance cost	138.85	136.91	
Other Income	11.14	10.00	
Profit before tax	(146.32)	(79.19)	
Net Profit after tax	(146.32)	(81.36)	

GTL Q3 Results Y-o-Y at Glance- Consolidated



(in ₹Crore)

Particulars	Q4 FY13	Q4 FY12	Y-o-Y %
Net Sales/ Income from Operations	654.33	562.77	15.55% ↑
Cost of sales, services and Delivery	503.33	457.46	9.13% ↑
Employee benefit Expenses	69.10	87.29	20.83% ↓
Other Expenditures	26.41	46.09	42.69% ↓
EBITDA	55.49	(28.07)	
<i>EBITDA Margin</i>	8.48%	0%	
Depreciation	74.29	36.10	
Finance cost	138.85	201.50	
Other Income	11.14	14.27	
Profit before tax	(146.32)	(246.03)	
Net Profit after tax	(146.32)	(246.03)	

Results for year ended March 31, 2012



(in ₹Crore)

Particulars	FY 13 (12 months)	FY 12 (9 months)	Y-o-Y % (Annualised)
Total Sales & Services	2601.31	1864.16	4.66 % ↑
Cost of Sales, Services & Delivery	2331.47	1673.85	4.47 % ↑
Other Expenses	119.47	124.22	27.87 % ↓
EBITDA	150.37	66.09	70.64 % ↑
Interest (Net) & Finance Charges	566.78	451.93	5.94 % ↓
Depreciation	177.65	101.71	31.00 % ↑
Other Income (incl. Exchange Gain/(Loss))	42.54	49.33	35.23 % ↓
Profit/ (Loss) before tax	(551.51)	(437.69)	
Net Profit/ (Loss) After Tax	(554.76)	(457.39)	



Thank You

