

# Analyst Call Q3 FY 10-11

Tata Teleservices (Maharashtra) Ltd.  
January 31, 2011

# 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.

# Market Overview

|                                                 | India  | Maharashtra<br>(excl. Mumbai) | Mumbai |
|-------------------------------------------------|--------|-------------------------------|--------|
| Population as of 2009 (Mln)                     | 1166.9 | 101.2                         | 20     |
| Wireless Base as on Dec 2010 (Mln)              | 749.6  | 56.7                          | 33.3   |
| Wireless Teledensity                            | 64%    | 56%                           | 166%   |
| Q3 FY 11 subscriber growth<br>over Q3 FY 10     | 42.7%  | 41.8%                         | 37.0%  |
| Q3FY 11 TTML subscriber growth<br>over Q3 FY 10 |        | 38.2%                         | 50.1%  |

TTML has registered a steady growth and has outperformed the market in Mumbai Circle

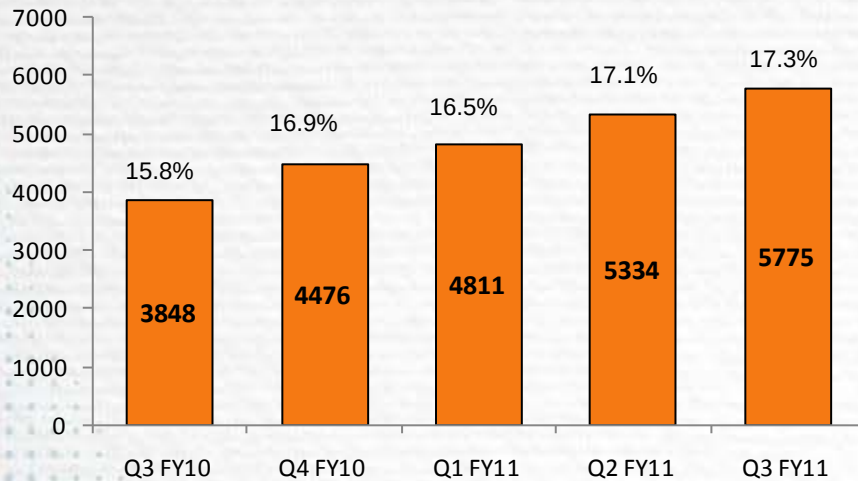
•Source: MMRDA report (Population and Employment profile of Mumbai Metropolitan region), Wikipedia & TRAI Subscriber Report

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

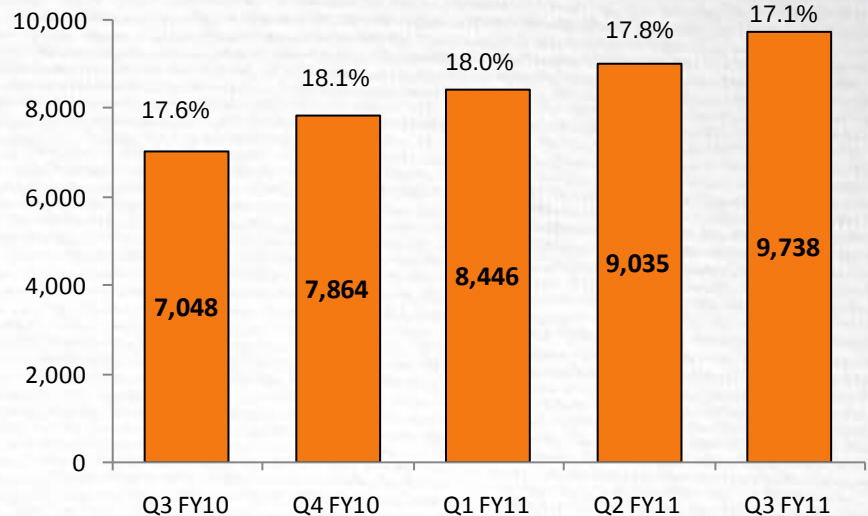
# Market Overview – TTML's competitive position

## Wireless EOP Market Share

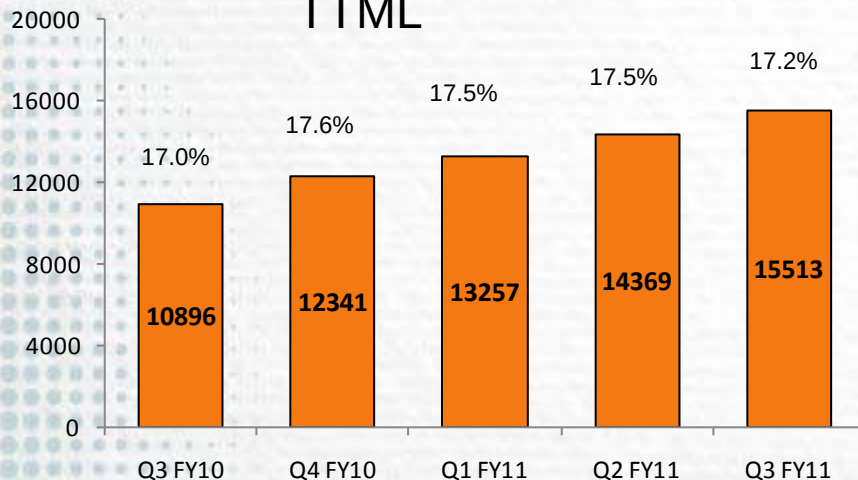
### Mumbai



### Rest of Maharashtra



### TTML



TTML is the 2<sup>nd</sup> largest wireless operator in this geography

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

\* EOP subs figure in '000s

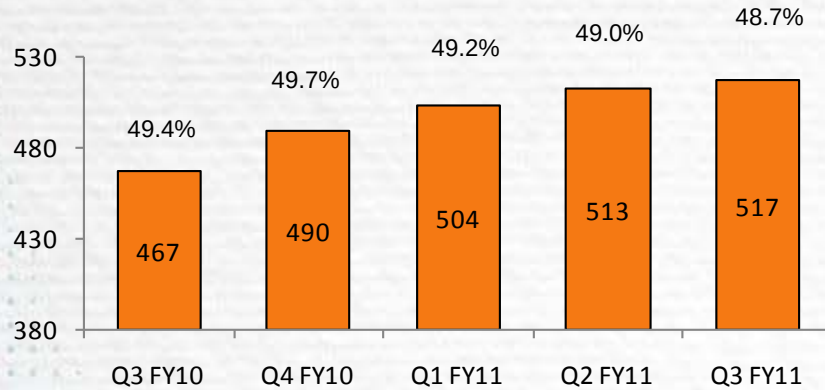


# Market Overview – TTML amongst private players

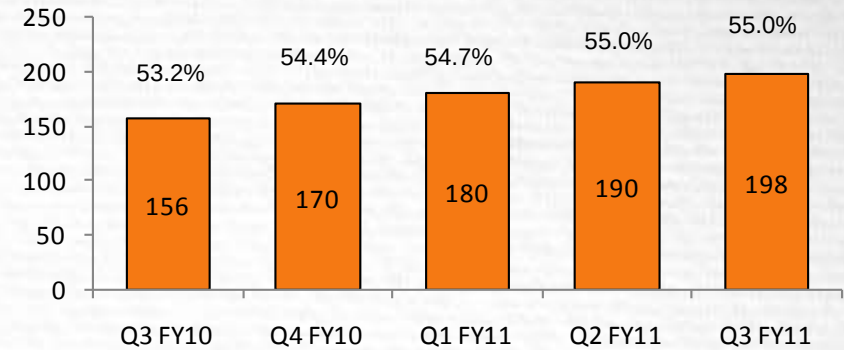
## Wireline EOP Market Share



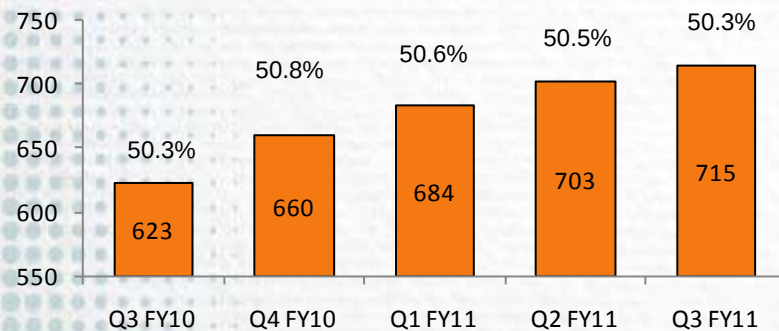
Mumbai



Rest of Maharashtra



TTML



TTML continues to maintain its market leadership in the Wireline segment

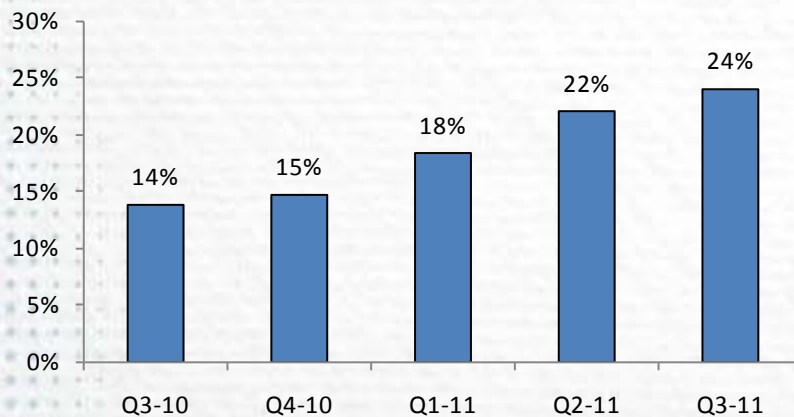
Source: TRAI Subscriber Report & Telecom Watch report for Dec'10.

\* EOP subs figure in '000s

# TTML Key Milestones in Q3 FY11

Continuous focus on Data growth and superior network coverage.

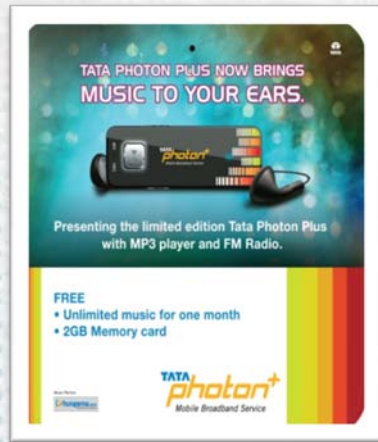
**VAS + Data Revenues as a % of Wireless Revenue**



VAS & Data Revenues for TTML have constantly grown over past quarters and contribute to 24% of Wireless Revenues

# Key Product Interventions in Q3

## MP3 Photon+



## Postpaid Acquisition offer - Get Laptop bag free with Photon+



## Combo offer – Walky & Photon+



## Small Denomination/ Local Recharges



■ Launch of Combo offer Walky & Photon+ to leverage base of valuable customers

■ Launched Delta Plus , Walky FM .

■ MP3 PHOTON+ ■

- At 2999 get Photon+ with Mp3 & FM Radio.

- 1 month song download free.



# CDMA - Innovative Marketing campaigns in Q3



Innovative branding of  
Tata Photon+ at Pune



Innovative branding of Tata Photon+ MP3 Juke box &  
Photon+ Blimp at IIT Powai for Mood Indigo  
Festival.



Murud Paryatan Mahotsav  
Marathon



Marine Lines FSO Launch





# 3G Initiatives



## Launch: Press Release

## Road shows: Retail /SME.

### Tata DOCOMO brings 3G services in Maharashtra circle

LOKMAT NEWS SERVICE  
MUMBAI

New 22: Tata DOCOMO, the GSM arm of Tata Teleservices Maharashtra Limited (TTML), launched its 3G services at a programme held at a city hotel on Monday.

This service would add a new chapter in the field of information technology.

Speaking on the occasion, president, TTML, Pankaj Sethi said the 3G services will change the way consumers use their mobile phones, riding on the back of game changing products and services.

"TTML's 3G services under the brand name Tata DOCOMO will equip customers in Maharashtra with a dual advantage of trusted service from the house of Tata, riding on the technological excellence of NTT DOCOMO," Mr Sethi said.

The 3G network supports high-speed internet access with speeds of up to



21.1 Mbps.

"While 3G is the next generation of mobility brings with it better voice clarity, through HD voice, fewer call-drops and high-speed internet access, the impact is likely to have on consumers' lives is much greater than any of these improvements alone," said chief operating officer of TTML, Anupam Verma.

"Our 3G services will enable richer communication through video calling and SMS, and will add the advantage of adding mobility to the power of internet. It will also enable millions of consumers to start accessing power of internet."

Film actors Mahesh Manjrekar and Anurita Khanvilkar along with Pankaj Sethi and Anupam Verma at the launch of Tata DOCOMO 3G services in the city on Monday.



### महाराष्ट्र सर्कल में टाटा डोकोमो की थ्री जी लाइफ सेवा प्रारंभ

मुंबई (एन.एस.) - महाराष्ट्र टेलीसर्विसेस लि. (TTML) के टाटा डोकोमो ब्रांड के तहत टाटा डोकोमो 3G सेवाओं का शुभारंभ किया। इस अवसर पर टाटा ग्रुप के अध्यक्ष नंदीश कुमार, टाटा डोकोमो के अध्यक्ष पंकज सेठी, टाटा डोकोमो के सीओओ अनापम वर्मा, टाटा डोकोमो के वीसीओ अमिताभ खन्विलकर और टाटा डोकोमो के वीसीओ अमिताभ खन्विलकर शामिल थे।

पंकज सेठी ने कहा कि टाटा डोकोमो 3G सेवाओं का शुभारंभ किया। इस अवसर पर टाटा ग्रुप के अध्यक्ष नंदीश कुमार, टाटा डोकोमो के अध्यक्ष पंकज सेठी, टाटा डोकोमो के सीओओ अनापम वर्मा, टाटा डोकोमो के वीसीओ अमिताभ खन्विलकर और टाटा डोकोमो के वीसीओ अमिताभ खन्विलकर शामिल थे।



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# Scorecard : Q3 FY11 & 9M-FY11

| Q3 10<br>Actuals | Particulars                                                | Q2 11<br>Actuals | Q3 11<br>Actuals | 9M-FY10<br>Actuals | 9M-FY11<br>Actuals |
|------------------|------------------------------------------------------------|------------------|------------------|--------------------|--------------------|
| 115              | EOP Subscribers (Nos. in lacs)                             | 151              | 162              | 115                | 162                |
| 19               | Net Addition (Nos. in lacs)                                | 11               | 12               | 40                 | 32                 |
| 595              | Total Revenue (Rs.Cr)                                      | 582              | 585              | 1651               | 1730               |
| 118              | EBITDA (Rs.Cr)                                             | 118              | 135              | 381                | 371                |
| 20%              | EBITDA Margin (%)                                          | 20%              | 23%              | 23%                | 21%                |
| 37               | Cash Profit (Rs.Cr) - excl. Forex Loss / Gain              | 43               | 64               | 148                | 148                |
| 33               | Cash Profit (Rs.Cr)                                        | 44               | 62               | 136                | 134                |
| (101)            | PAT before Tower Divestment impact (Rs.Cr)                 | (98)             | (80)             | (232)              | (290)              |
| -                | Profit from Tower Divestment & Provision for Contingencies | -                | -                | -                  | 670                |
| (101)            | PAT after Tower Divestment impact (Rs.Cr)                  | (98)             | (80)             | (232)              | 380                |

# Key Parameters



| Particulars                                    | Units          | Quarter Ended |        |        |        |        | Year Ended |        |
|------------------------------------------------|----------------|---------------|--------|--------|--------|--------|------------|--------|
|                                                |                | Dec-09        | Mar-10 | Jun-10 | Sep-10 | Dec-10 | FY-09      | FY-10  |
| Wireless Services                              |                |               |        |        |        |        |            |        |
| CDMA                                           | Nos. '000      | 7,887         | 8,122  | 8,359  | 8,699  | 9,111  | 6,962      | 8,122  |
| GSM                                            | Nos. '000      | 3,012         | 4,222  | 4,900  | 5,673  | 6,404  | -          | 4,222  |
| Total Subscribers Base                         | Nos. '000      | 10,899        | 12,344 | 13,260 | 14,372 | 15,515 | 6,962      | 12,344 |
| Prepaid Subscribers as a % of EOP Subscribers  | %              | 93%           | 94%    | 94%    | 95%    | 96%    | 91%        | 94%    |
| Wireless Subscribers Market Share              | %              | 17.0%         | 17.6%  | 17.5%  | 17.5%  | 17.2%  | 13.9%      | 17.6%  |
| Average Revenue per User *                     | Rs. per month  | 143           | 125    | 164    | 170    | 170    | 198        | 135    |
| Avg. MOU per User *                            | Min. per month | 266           | 250    | 384    | 403    | 401    | 326        | 256    |
| Rate per Minute **                             | Rs.            | 0.54          | 0.50   | 0.43   | 0.42   | 0.42   | 0.61       | 0.53   |
| Postpaid Voluntary Churn                       | % per month    | 1.2%          | 1.2%   | 1.1%   | 1.1%   | 0.8%   | 0.9%       | 1.3%   |
| Postpaid Company Initiated Churn               | % per month    | 1.6%          | 1.4%   | 1.5%   | 6.4%   | 2.3%   | 2.2%       | 1.5%   |
| Prepaid Churn                                  | % per month    | 0.5%          | 2.2%   | 2.1%   | 3.0%   | 1.8%   | 1.1%       | 1.6%   |
| VAS + Data Revenues as a % of Wireless Revenue | %              | 13.9%         | 14.8%  | 18.5%  | 22.1%  | 24.1%  | 13.2%      | 14.6%  |
| Wireline Services                              |                |               |        |        |        |        |            |        |
| Customers                                      | Nos. '000      | 620           | 657    | 681    | 700    | 712    | 533        | 657    |
| ARPU ***                                       | Rs. per month  | 911           | 900    | 861    | 899    | 852    | 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. 1.2 Cr in Q3-10, Rs 13.64 Cr In Q4-10, Rs 16.19 Cr in Q2-11 & Rs 11.80 Cr in Q3-11



# Other Details

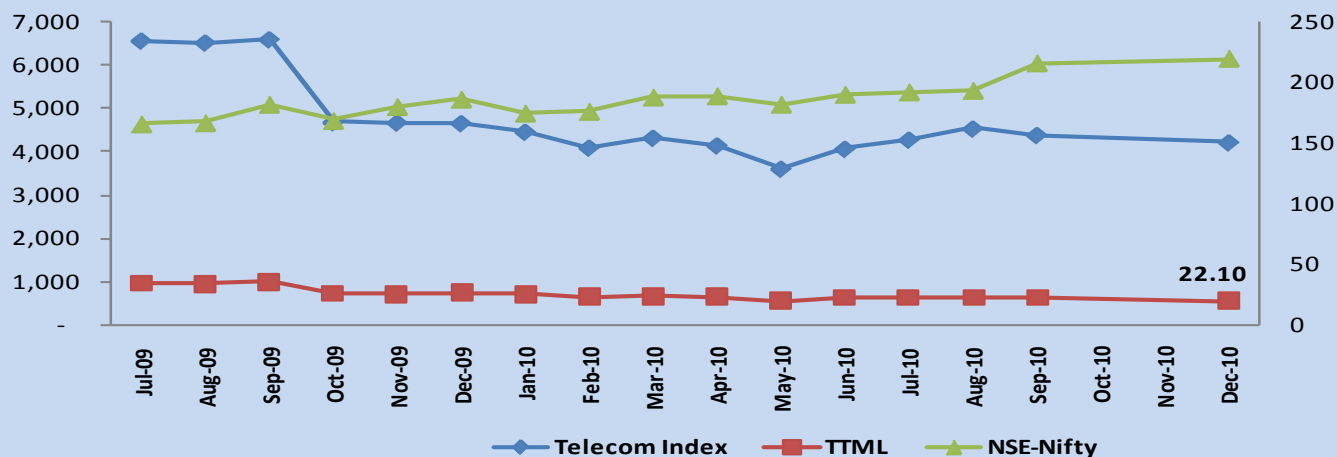
| Particulars                                 | Units     | Q3-10 | Q4-10 | Q1-11 | Q2-11 | Q3-11 |
|---------------------------------------------|-----------|-------|-------|-------|-------|-------|
| <b>Wireless Services</b>                    |           |       |       |       |       |       |
| Minutes on Network *                        | Mn Min    | 7,957 | 8,713 | 9,065 | 9,171 | 9,325 |
| Census Towns                                | Nos.      | 331   | 331   | 331   | 331   | 331   |
| Non-Census Towns and Villages               | Nos.      | 10972 | 11090 | 11145 | 11205 | 11225 |
| Population Coverage (excluding Mumbai)      | Nos. lacs | 725   | 727   | 727   | 728   | 728   |
| Network Sites                               | Nos.      | 6373  | 7645  | 8107  | 8280  | 8546  |
| Optic Fibre Network                         | Km        | 9543  | 9657  | 9963  | 10014 | 10710 |
| <b>TTML Balance Sheet data (Standalone)</b> |           |       |       |       |       |       |
| Gross Debt                                  | Rs. Cr    | 3,447 | 3,609 | 4,601 | 4,500 | 4,363 |
| Net Debt                                    | Rs. Cr    | 3,426 | 3,586 | 4,370 | 4,193 | 4,318 |
| Gross Block (including Capital WIP)         | Rs. Cr    | 5,611 | 5,771 | 7,177 | 7,318 | 7,557 |

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

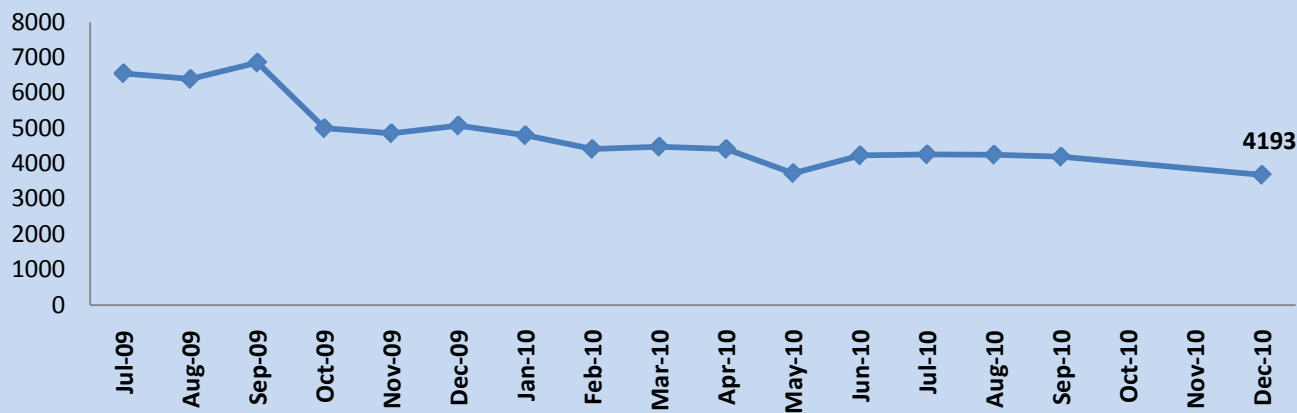
# Market Capitalization & Share Price



## Share Price Movement



## TTML Market Capitalization (Rs. Cr.)



Source: NSE

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

# Thank You