



GTL Infra Q1 FY 2013 results

July 25, 2012

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Indian Telecom Market Overview

Parameters	Current Status*
Telecom Subscribers (mn)	960.90
Wireless Subscribers (mn)	929.37
Teledensity (%)	79.28%
No. of Circles	23
Net add/Month (mn)	8
Subscriber Growth Rate (Y-o-Y)	14.80%
Average Minutes of Usage per User#	332
Average Revenue Per User (US\$)#	1.9
Average No. of Operators/Circle	9

*As on May 2012

#As on December 2011

Exchange rate taken at \$1 = Rs 50

Source: TRAI Reports

India is Largest, Fastest & most Competitive Market in the World

Recent developments in the industry

❖ Telecom Sector

- ✓ *Cancellation of 122 2G licenses by Supreme Court*
- ✓ *Levy of property tax on telecom towers by local authorities*
- ✓ *In the Light of the Supreme Court Verdict on the 2G licences a few Telecom Operators affected by the cancellation of their licences have discontinued their operation in India.*

❖ TRAI's recommendations

- ✓ *Fixation of higher reserve price (13 times) for spectrum auction*
- ✓ *Re farming of 900 MHz spectrum leading to higher investment by all telecom operators*
- ✓ *Bringing down foreign direct investment (FDI) cap from 100 per cent to 74 per cent for telecom infrastructure companies*
- ✓ *Extending Universal Licensing to telecom tower companies leading to 8% revenue sharing by telecom tower companies with the government*

Negligible rollout and expansion by operators

- ❖ **Impact of 2G controversies**
 - ✓ *Major hindrance for new 2G entrants for pan-India network rollout*
 - ✓ *Liquidity problem faced by telcos have impacted their rollout expansion*

- ❖ **Difficulty in raising fresh capital by telecom operators resulting into lower capex**
 - ✓ *Idea has reduced the capital estimate from Rs 40 billion in FY12 to Rs 35 billion in FY 13*
 - ✓ *Bharti has reduced the capex by 50% for the last 2 quarters*

- ❖ **Slow off-take of data services on account of-** *(Source: Citi Report)*
 - ✓ *3G/BWA winners invested US\$ 21 Bn towards licenses; However income stream yet to follow*
 - ✓ *Unaffordable 3G handsets; High tariffs for 3G services*
 - ✓ *Only 10% of high ARPU subscribers have migrated to 3G network*
 - ✓ *The data ramp-up on 3G Network is expected to be back ended after 2-3 years*
 - ✓ *No concrete Network plan chalked out by any BWA player*

Financials



GTL Infra Q1 Results at Glance- Standalone



(in ₹Crore)

Particulars	Q1 FY13	Q1 FY12	Y-o-Y %
Net Sales/ Income from Operations	139.85	140.52	
Infra O&M Cost (Net)	48.02	46.27	4% ↑
Employee Cost	3.99	3.01	33% ↑
Other Expenditures	13.13	11.84	11% ↑
EBITDA	74.72	79.40	
<i>EBITDA Margin</i>	53%	57%	4% ↓
Depreciation	73.18	58.43	
Interest and finance cost	87.21	106.90	
Other Income	0.51	1.97	
Profit before tax	(85.16)	(83.95)	
Net Profit after tax	(85.16)	(83.95)	

The total number of Towers as on June 30, 2012 is 32,562

Thank you



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