



HQ/CS/CL.24B/16439
11 May 2018

Dear Sir,

Sub: Analyst / Institutional Investor Meet on Audited Financial Results for the year ended 31 March 2018.

Pursuant to Regulations 30(2) and 46(2) (o) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that an earnings call for analysts and institutional investors was held today, on Friday, 11 May, 2018 to discuss the Company's financial results for the quarter and financial year ended 31 March, 2018.

The presentation on the financial results is enclosed herewith and is also available on the website of the Company at:

www.tatacommunications.com/investor-relations

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For Tata Communications Limited

Manish Sansi
Company Secretary &
General Counsel (India)

To,

- 1) Security Code 500483, BSE Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.
- 2) Security Code TATACOMM, National Stock Exchange of India Limited. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051

TATA COMMUNICATIONS
Tata Communications Limited

Address: G Block, C 21 & 36, Bandra Kurla Complex, Mumbai 400098

Regd. Office : VSB Mahatma Gandhi Road Fort Mumbai – 400 001

Tel 91 22 6659 1966 Fax 91 22 6725 1962 email: manish.sansi@tatacommunications.com

CIN: L64200MH1986PLC039266 web site: www.tatacommunications.com

ANALYST PRESENTATION

FY2018

MAY 2018

DIGITAL INFRASTRUCTURE PROVIDER

Connectivity and
Collaboration remain
 @ The Core 

Cloud, Security, Mobility
& IoT round out the
 portfolio 

Our services now
enable B2B2C and
 B2B2B 

SERVICES ROADMAP

Make the **Internet Fit for Business**

Design for **Public-Private Hybrid Solutions** - Network, Cloud, UCC, Security

Weave “Application-Awareness” into all Services

Build **API layer** around all services for improved **Service Experience and Platform Plug-ins**

Full transparency and empowerment through Customer Experience

CUSTOMER FOCUS

“Deeper with Fewer”

- Focus direct sales efforts on increasing PPR
- especially with large customers (\$10-25bn revenues)



Force Multipliers

Strategic relationships with

- Platform players,
- Device/Chip manufacturers,
- Developer communities



Digital Outreach

- To mid-sized customers
- To new logos



INTERNAL AGILITY AND PRODUCTIVITY



Simplified org
structure



Digital Transformation to
help keep manpower
costs relatively flat

Business Process
Re-engineering aimed at
simplicity and speed



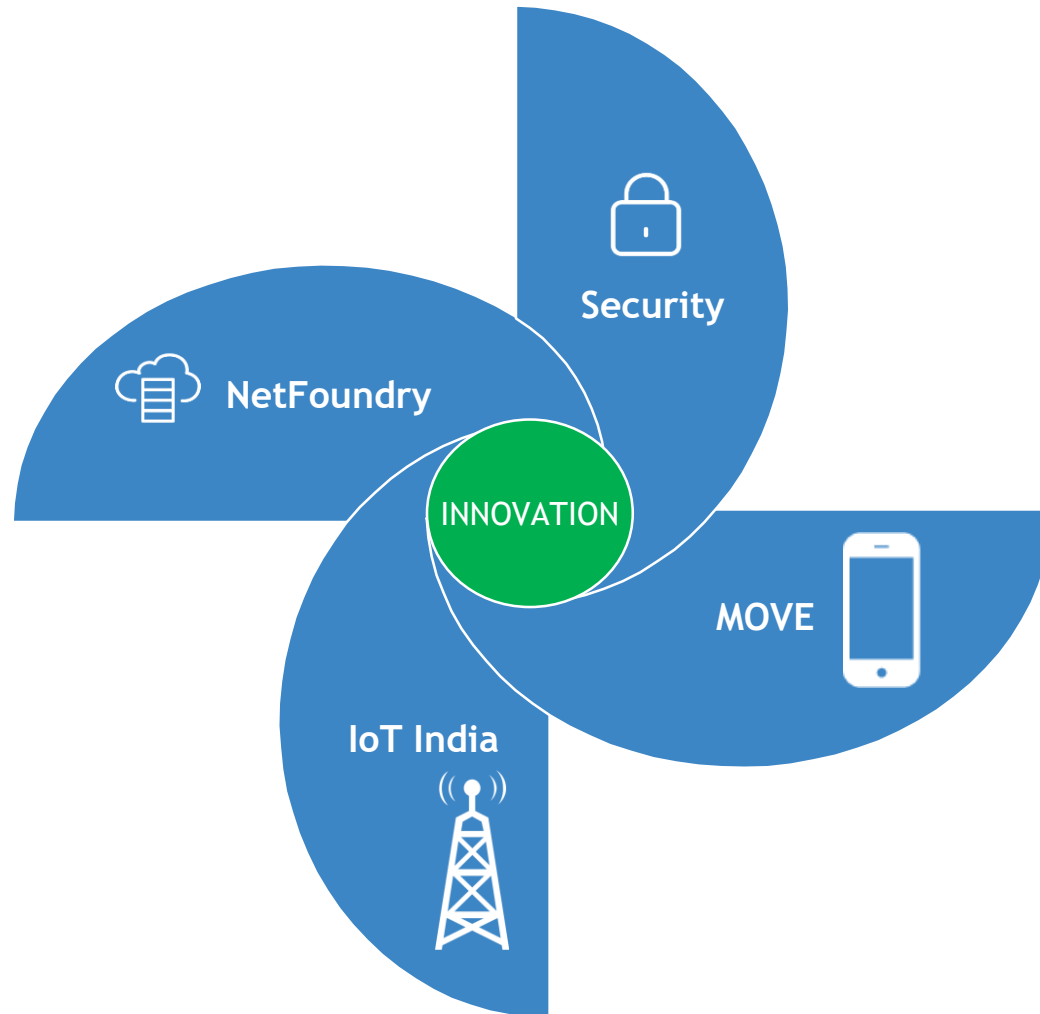
Moving to NPS as measure of
Customer Satisfaction



Common Balanced Scorecard
for the entire company



PROACTIVELY HARNESSING MARKET WINDS FOR A BETTER FUTURE



MOVE

- No. of customers - 64
- SIMs ordered - 51,127
- Key wins - Chungwha, Surbana, DT Tech, Omate

IoT India

- PoCs completed - 37
- Devices ordered - 16,623
- Key wins - JUSCO, Tata Power, Mahanagar Gas

Security

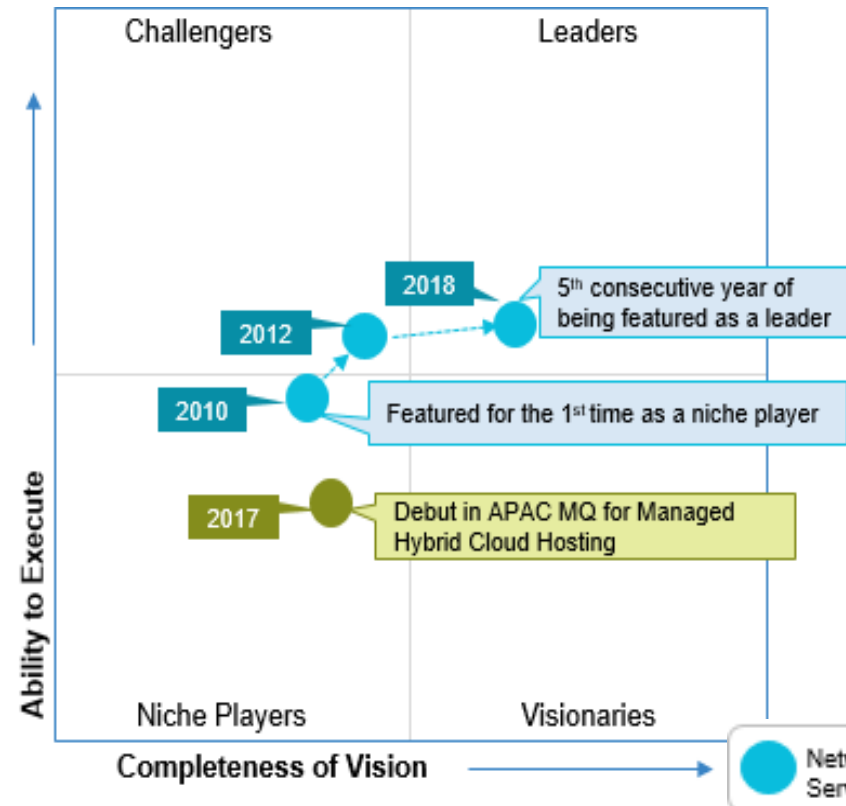
- Devices managed - 3,999
- Key wins - Carlsberg Corp., HDFC, Titan, ICICI, Axis Bank

NetFoundry

- PoCs completed - 27
- No. of customers - 12

POSITIONED IN THE LEADERS' QUADRANT

“LEADER” IN GARTNER MAGIC QUADRANT FOR NETWORK SERVICES, GLOBAL FOR 5TH CONSECUTIVE YEAR



- Our products have been getting analyst recognition and are consistently featured in Gartner Magic Quadrant
- This year we debuted as a niche player in MQ for managed hybrid cloud hosting in Asia Pacific

Source: Gartner, Inc. “Magic Quadrant for Network Services, Global” by Danellie Young, Katja Ruud, Bjarne Munch, Takeshi Ikeda, Neil Rickard, Lisa Pierce, February 27, 2018

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THIRD PARTY ENDORSEMENTS, AWARDS AND RECOGNITION

CONTINUOUS IMPROVEMENT

India's largest corporations: Tata Communications at #68

Transparency International, a global civil society organization, conducted research into the public reporting practices of 100 emerging market companies based in 16 countries in 2016



Tata Communications ranks #2 in the 'Transparency in Corporate Report'

8 page feature story on the Leadership Profile of Tata Communications in the December edition of Fortune India

<http://fortuneindia.com/2016/december/the-importance-of-being-global-1.10468>



Named an **Aon Best Employer India, 2nd year in row**. Recognised for **high employee engagement, compelling employer brand, effective leadership and a culture that enables high performance**

Frost & Sullivan India ICT Awards:

- **Enterprise Data Service Provider** of the Year (9th Year in a row)
- **Hosted Contact Center Service Provider** of the Year (6th Year in a row)
- **Enterprise Telecom Service Provider** of the Year - Large Enterprises (3rd Year in a row)
- **Third Party Datacentre Service Provider** of the Year (2nd Year in a row)
- **IoT New Product/Service Innovation Award** (First time winner - New Award Category)

Recognised for building a high trust, high performance culture and A Great Place to Work-Certified™



#19 best company in India at attracting and retaining top talent



OUR CUSTOMERS



6,010

Active customers



493

New customers added
during the year



5.38

Product penetration
ratio for top 300
customers



85%

Share of revenue from
existing customers

THE YEAR GONE BY - WINS

Data revenue grew by 4.4% on the back of ramp up in growth services



YOY growth rate of 'Growth services' doubled to 35.6% in FY18 from 18.4% growth in FY17

- IZO services grew by 304% YoY
- Security services grew by 64%



Capex for full year at USD 235 Mn lower than guidance



Delivered strong EBITDA margins of 30% in traditional data portfolio

Cash flow maintained despite investments in growth and Innovation services



Traditional data grew 4% YoY on full year basis despite industry headwinds



- ILL and Ethernet grew by 14% YoY
- VPN grew by 10%



Net debt contained at USD 1.15 Bn

TCTSL revenue grew by 10% due to new business wins



THE YEAR GONE BY - CHALLENGES

1

Traditional business was affected by operator consolidation in India and increased customer churn.

2

Consolidated revenues & EBITDA declined primarily because of lower Voice volume, price compression and investment into growth and Innovation

3

Growth services margins impacted: upfront investment in new wins revenue for which is expected to come in FY19 onwards and due to customer insolvency.

4

TCPSL growth impacted due to sub-optimal cash supply

5

RoCE decline due to higher depreciation

FY18 PERFORMANCE

Consolidated

Revenue

16,651 5.5% YoY ↓

- # Price and volume erosion in Voice
- # Significant Forex Impact (Rs 415 Cr -ve)

EBITDA

2,291 2.9% YoY ↓

- # Decrease due to fall in Voice EBITDA
- # Forex Impact (Rs 39 Crore -ve)

Data

Revenue

11,339 4.4% YoY ↑

- # Revenue up on back of strong performance in Traditional & Growth services

EBITDA

1,956 0.5% YoY ↑

- # Muted growth due to investment in Growth & Innovation Service

Voice

Revenue

5,311 21.4% YoY ↓

- # Global decline in voice business

EBITDA

336 19.0% YoY ↓

- # In line with revenue decline

* INR Cr.

FY18 - PORTFOLIO

Traditional

Revenue*

1,201 3.9% YoY ↑

Growth despite industry headwinds
Decline due to operator consolidation and churn

EBITDA*

355 8.5% YoY ↑

EBITDA Margins back in 30% range
Cost Optimisation Initiatives

Growth

Revenue*

346 35.6% YoY ↑

Growth led by SIP-T, Security & Hosting and IZO

EBITDA*

(42.8)

Decline due to customer insolvency and upfront investment in new win

*USD MN

Q4 PERFORMANCE

Consolidated

Revenue

4,009 6.6% YoY ↓
2.6% QoQ ↓

Price and volume erosion in Voice

EBITDA

555.5 12.0% YoY ↑
9.4% QoQ ↓

QoQ decrease due to fall in data EBITDA

Data

Revenue

2,895 4.0% YoY ↑
0.4% QoQ ↑

Revenue up on back of strong performance in Growth services

EBITDA

484 26.5% YoY ↑
10.2% QoQ ↓

QoQ decline due to upfront investment in new wins; benefit to flow in FY19 onwards

Voice

Revenue

1,113 26.3% YoY ↓
9.5% QoQ ↓

Global decline in voice business

EBITDA

71.3 37.1% YoY ↓
3.4% QoQ ↓

In line with revenue decline

* INR Cr.

Q4 - PORTFOLIO

Traditional

Revenue*

297 1.1% YoY ↑
1.8% QoQ ↓

Growth despite industry headwinds
QoQ decline due to operator consolidation and churn

EBITDA*

90.2 26.7% YoY ↑
5.4% QoQ ↓

Q3 had one-time benefit

Growth

Revenue*

97 37.3% YoY ↑
8.3% QoQ ↑

Growth led by IZO (up 242%) and Security (up 91%) YoY

EBITDA*

(13.7)

Decline due to customer insolvency and upfront investment in new win

Q4 - PORTFOLIO

TCTSL

Revenue*

296 7.2% YoY ↑
0.6% QoQ ↑

EBITDA*

48.6 11.4% YoY ↑
20.4% QoQ ↑

Cost efficiency

Improvement in quality of revenue

TCPSL

Revenue*

100 1.7% YoY ↓
9.9% QoQ ↑

Increase in number of transactions to 98 per month

EBITDA*

0.3 YoY ↑
QoQ ↑

Cost efficiencies leading to break even

The background image shows two hands, one from a darker-skinned person and one from a lighter-skinned person, reaching towards each other in a field of tall, golden grass. The sky is a clear, bright blue. The quote is centered over this image, flanked by two horizontal white lines.

"It is not the strongest or the most intelligent who will survive but those who can best manage change."

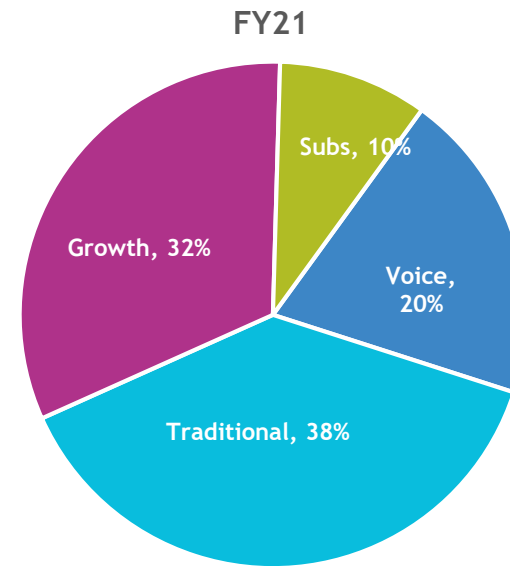
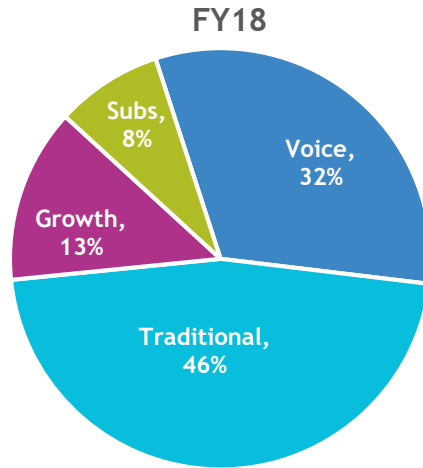
— Charles Darwin

WE HAVE THE DNA FOR TRANSFORMATION

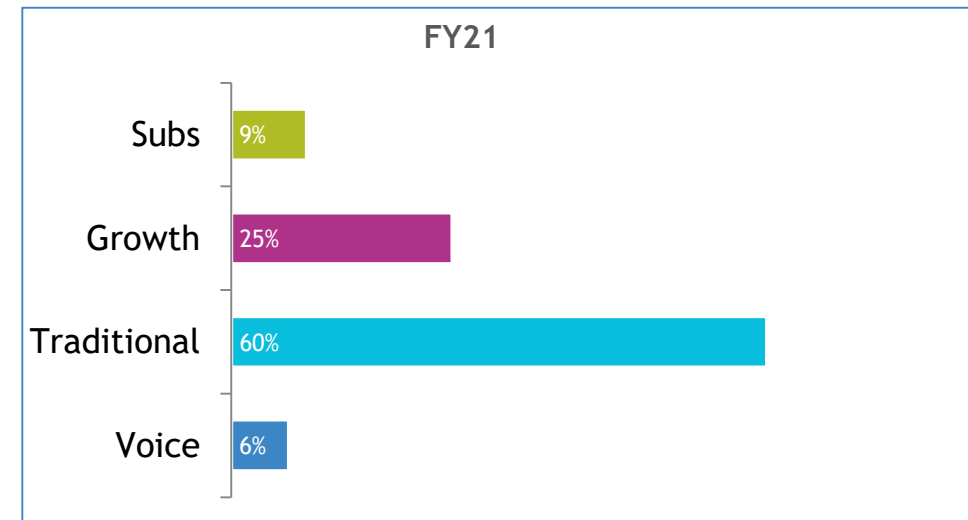
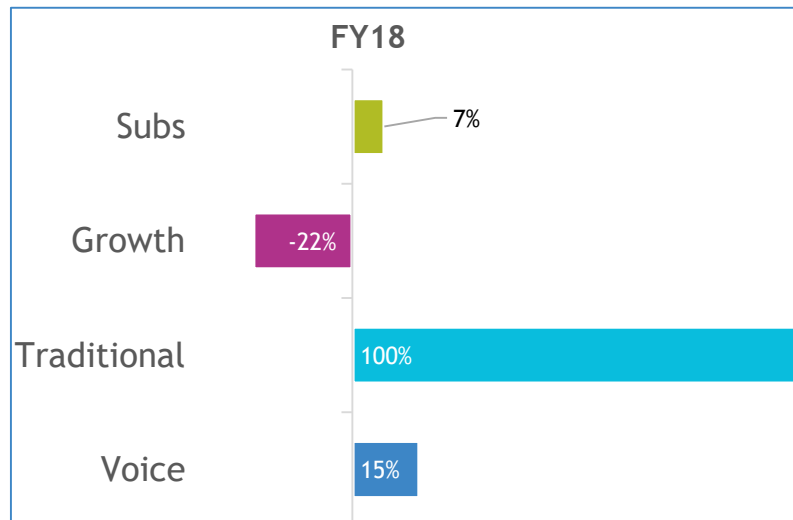
Key movements		FY14	FY18	Delta		
Wholesale voice declining	NR	267	109	158	↓	- Trading business, low margin (~12%), high FCF - Holding market leader position
Data increasing	NR	881	1138	257	↑	- High NR margins - Invested for propelling future growth
Carrier data revenues flat	GR	577	598	21	↔	- These are big ticket deals (lower GTM cost) - Industry forces driving price down (consolidation, threat of next gen players)
Enterprise revenues growing	GR	522	949	427	↑	Invested in global GTM reach to develop this segment
Traditional products growing	GR	988	1201	213	↑	- Steep price drop, compensated by volume growth - Maintenance & expansion Capex of ~\$150Mn / year - Industry recognised leader (Gartner MQ)
Growth products growing	GR	110	346	236	↑	- Built new capabilities for sustainable growth - Investments of ~\$150Mn since FY12
Net debt declining	Net Debt	1840	1151	689	↓	Reduced debt over time

ROADMAP TO DESTINATION 21

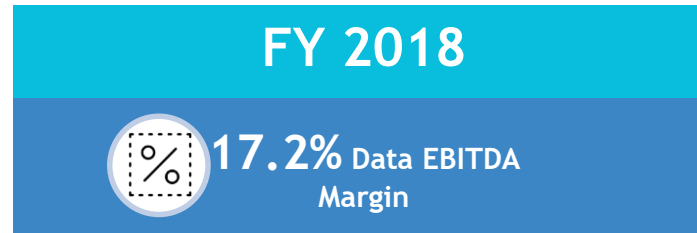
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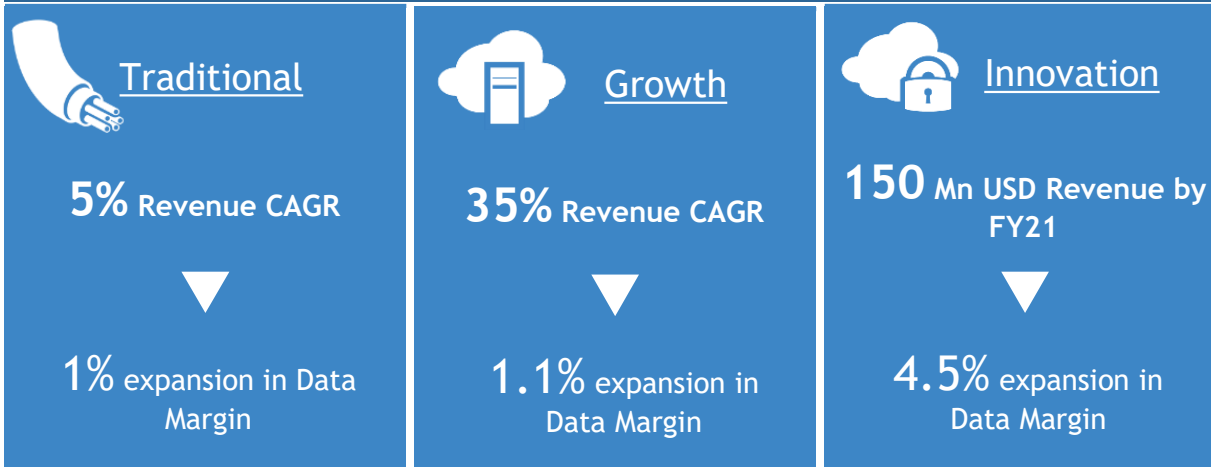
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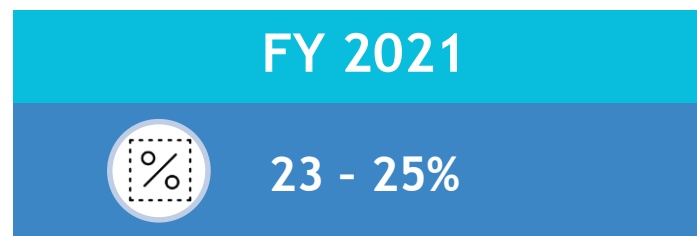
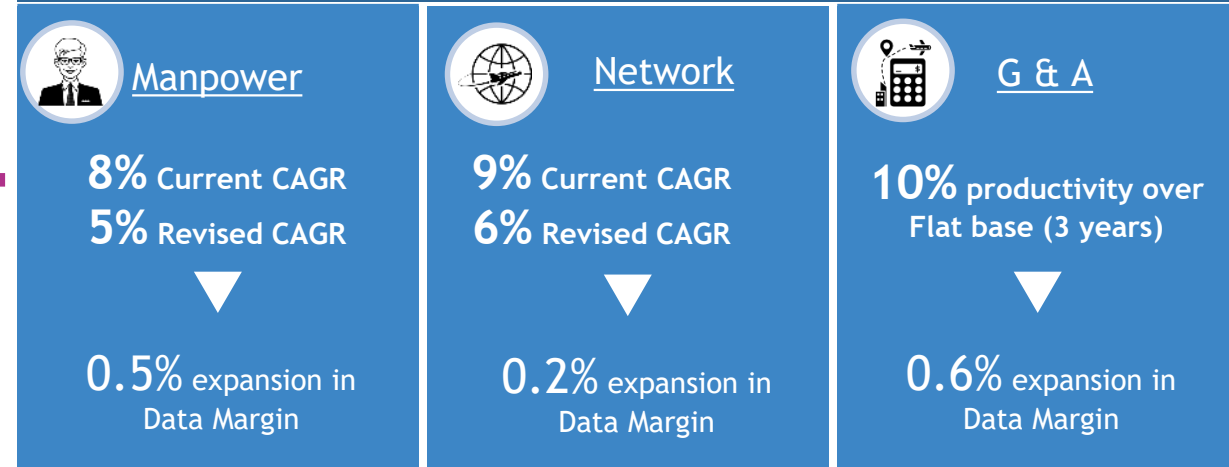
DATA MATH



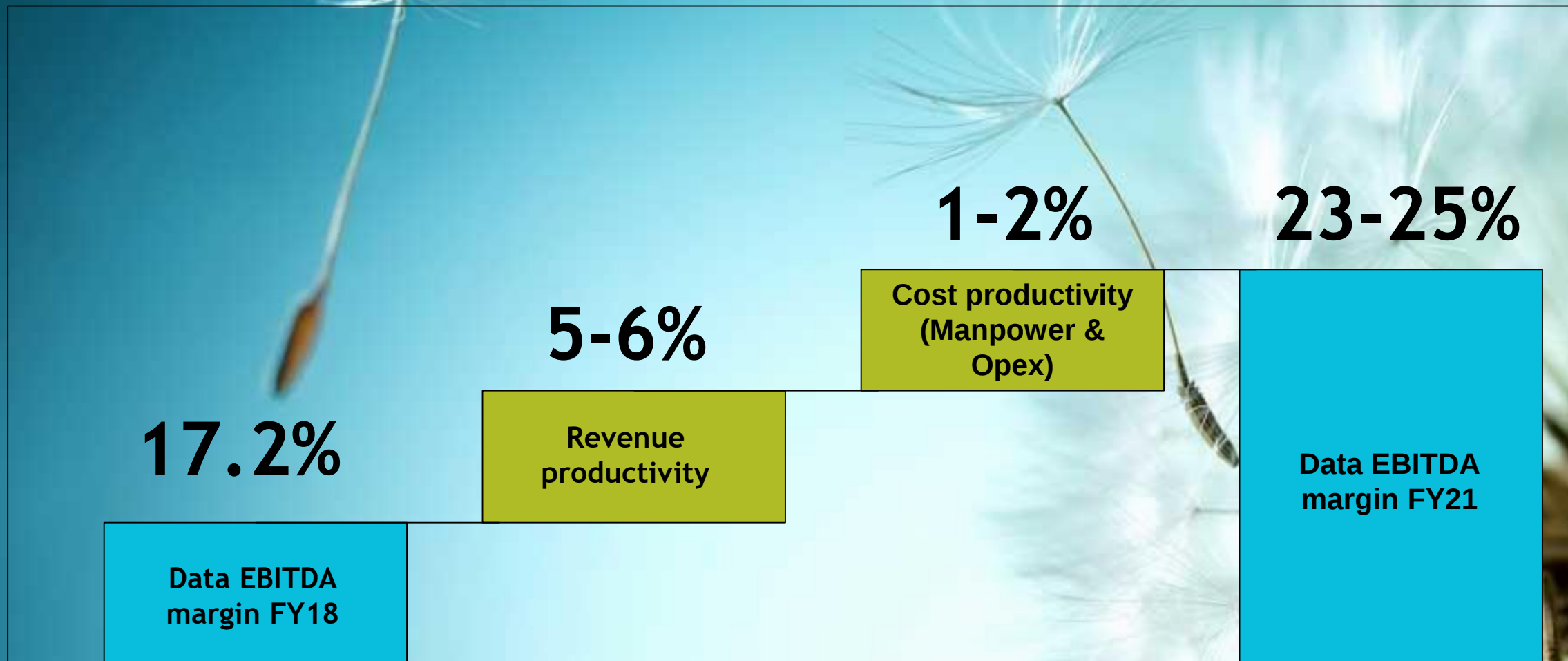
Revenue Productivity



Cost Productivity



ROADMAP TO DESTINATION 21



DESTINATION 21

Total addressable
market to grow from
\$26.6 bn to
\$50.9 bn

Consolidation in
telecom industry
globally and in India

IOT, mobility
markets to explode,
cloud security to be
dominant theme

Digital transformation
driving demand for SD
WAN and network
virtualisation services

VPN and Ethernet to drive
growth in traditional products

IOT, MNaaS to be
\$100 Mn products each
by FY21

Growth services' contribution to
data revenue will double from 20%
in FY18 to **40%** in FY21

SIP-T to be the biggest
revenue contributor
followed by hosting in
growth products

Data business will
contribute to over
94% of overall EBITDA
by FY21

Focus on growth
and innovation
services

Cloud and security, and
UCC to grow in double
digits

TO SUMMARIZE...



- Acceleration in growth and innovation services
- Momentum maintained in traditional services
- Effective bundling in data services leading to higher product penetration ratio

- Improve CAPEX to revenue ratio:
 - Sweat underlying cable assets
 - Focus on asset-lite business models
 - Improve procurement efficiency

- Sharp focus on costs
- Improve manpower efficiency
- Operating leverage in growth services through

THANK YOU

tatacommunications.com

www.tatacommunications.com | [@tata_comm](https://twitter.com/tata_comm)

<http://tatacommunications-newworld.com> | www.youtube.com/tatacomms

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TATA COMMUNICATIONS



ACCELERATING GROWTH THROUGH DIGITAL

MAY 2018

JAMES PARKER

AGENDA

1. Market Opportunity for Tata Communications
2. Go To Market Strategy Transformation

BUSINESSES ARE GOING GLOBAL AND NEED TO MAKE BORDERLESS GROWTH PAINLESS- OUR SWEET SPOT

Drivers for Businesses going Global



New Markets & Diversification



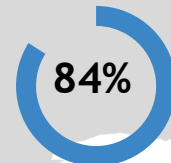
Competitive Advantage



Foreign Investment Opportunities



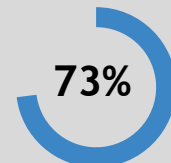
Access to New Talent



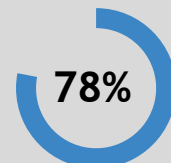
of companies expect overseas expansion to be the focus of their M&A strategy over the next year



of Fortune 500 companies have gone bankrupt, been acquired or ceased to exist, due to the disruption by digital models



tech CEOs report that they actively search for talent in different countries

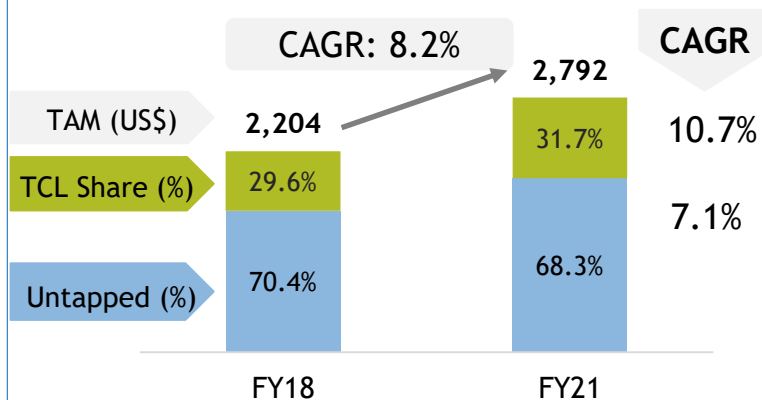


of Shared Service Centres (SSCs) provide services for one or more countries

WE CONTINUE TO STRENGTHEN OUR LEADERSHIP IN THE GROWING INDIA MARKET

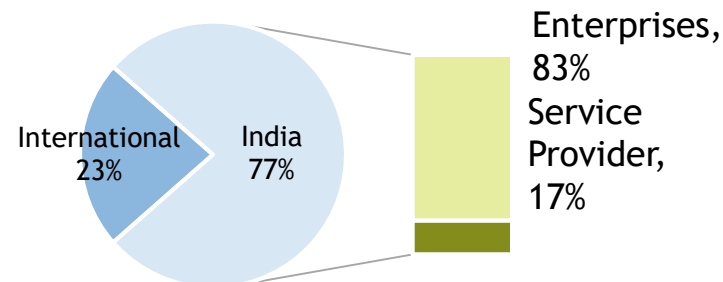
We are growing our market share in India

Market share growth in India for Network, Cloud and Collaboration



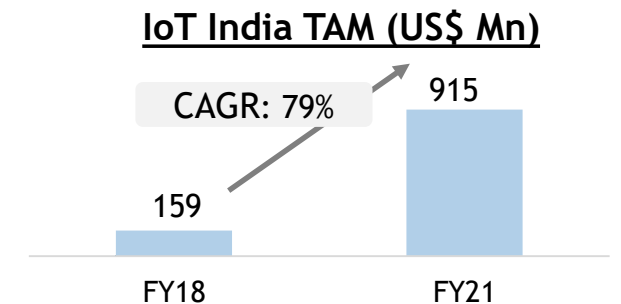
We cater to 5,000 + leading enterprises

Customer distribution across India and international regions



We are investing in our future through new services

1. Focussing on upcoming segments like IoT:



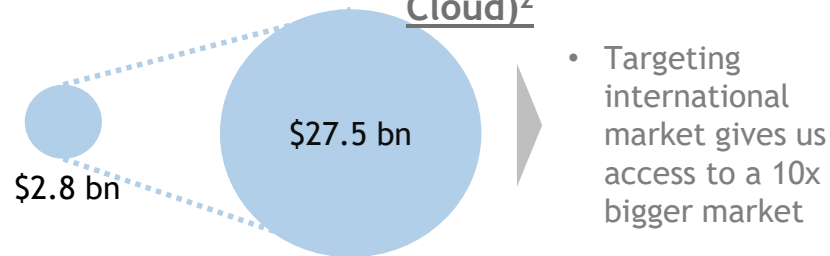
2. Changing customer conversation from being a connectivity provider to digital infrastructure provider

OUR GROWTH SERVICES INVESTMENTS ARE HELPING US CAPITALISE ON THE LARGER GLOBAL OPPORTUNITY

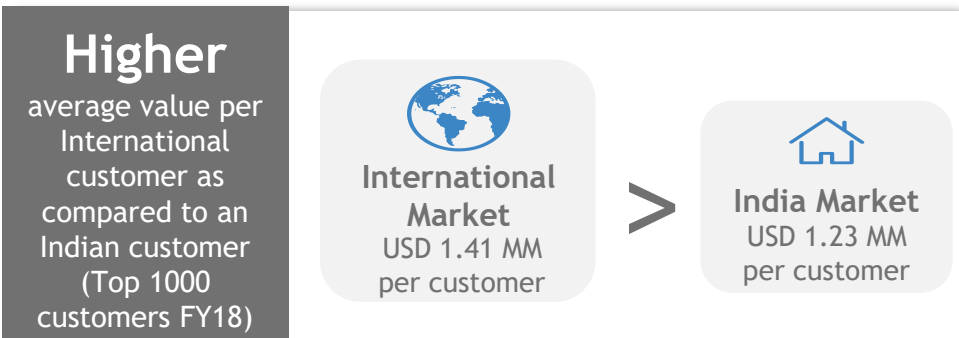
International market is a high growth opportunity

Many of our new products have an increased revenue contribution from International markets

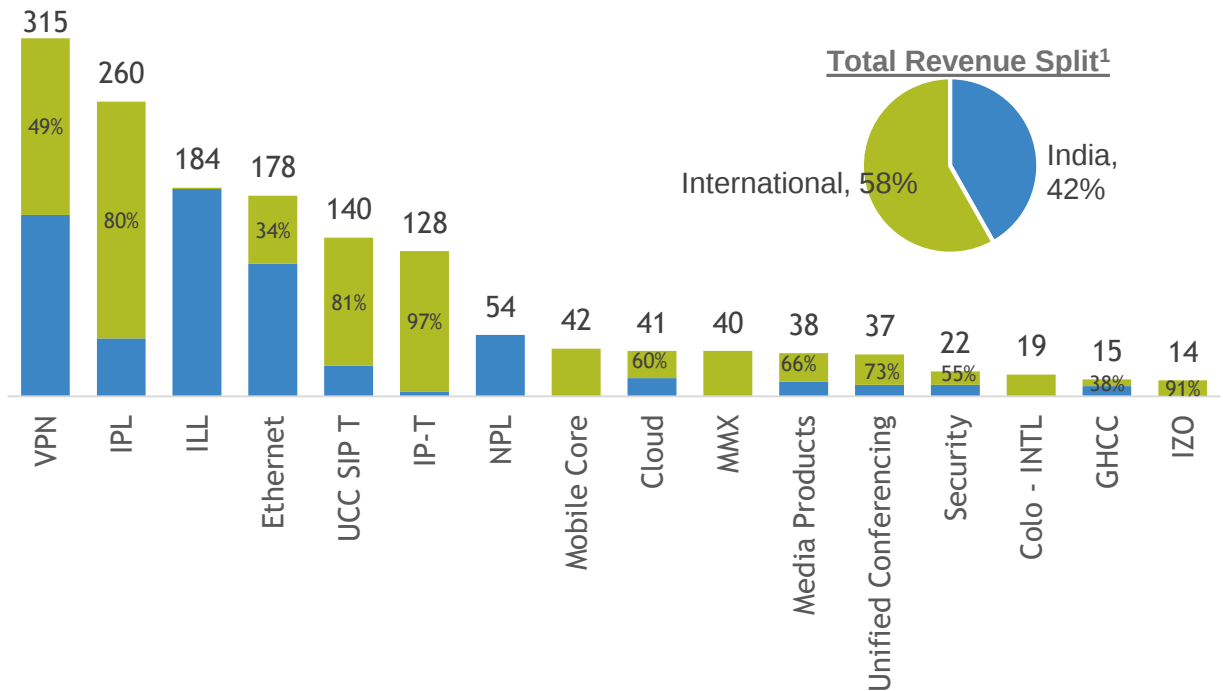
India vs International TAM (Networking, Collaboration and Cloud)²



The average value for international customer is much higher compared to Indian customer



International vs India Revenue Contribution (FY 18 OL)



CHANGE IN DEMAND LANDSCAPE IS EVIDENT WHEN WE ANALYSE THE RFP / FUNNEL

Demand Landscape by 2020 - Findings of Global Data Study

	Today	Tomorrow
Apps	Very hybrid with strong bias to on-prem	SaaS and AaaS (API as a service)
Containers	Still many physical servers, but significant levels of virtualisation	Automated selection and provisioning of containers
LAN	Many switching technologies deployed, wide spectrum of "smartness"	LAN and WAN become a single managed entity - With providers leveraging SDN orchestration
WAN	Complex management and admin, using mix of technology	

BUT! - This is a long journey for many organisations - they will need providers that can travel towards SDE with them

Funnel Analysis FY17 vs FY18:

- Increase in requirement for Hybrid & SDWAN solution - 506% increase in funnel count with 556% increase in funnel value
- Managed security funnel value increased by 63% globally
 - 300% increase in bids asking for Managed Security solutions in India
- 142% increase in UCC funnel value coupled with increase in customers requiring these services

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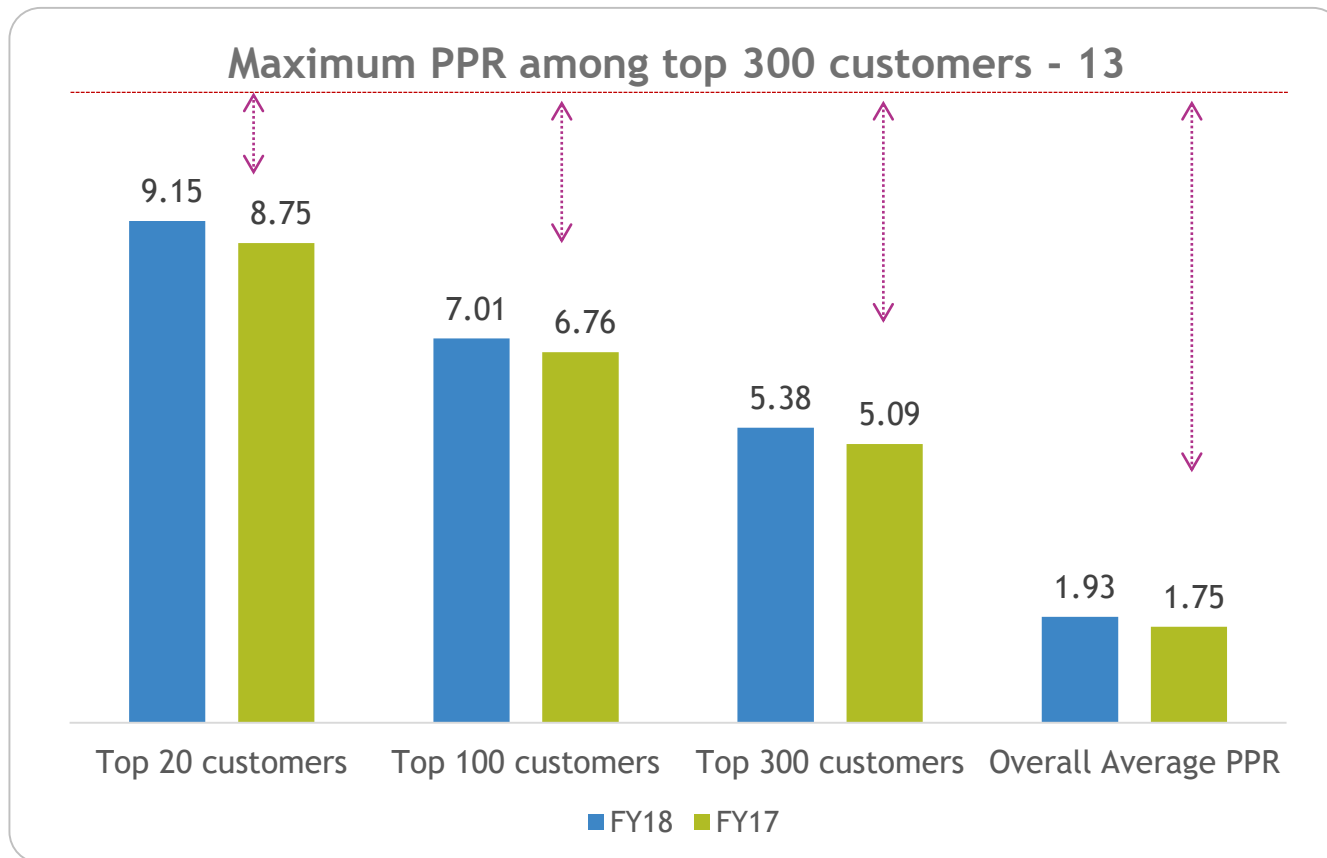


OUR GO TO MARKET STRATEGY TRANSFORMATION

Delivering Customer Success

DEEPER WITH FEWER CAN UNLOCK SIGNIFICANT VALUE - SELLING ONE MORE IN TOP 300 ACCOUNTS CAN ADD 150-200 MN IN REVENUE

Product Penetration Ratio



- Multi-product engagement → Higher revenue growth and stickiness

WE ARE EVOLVING TO A TWO PRONGED ENGAGEMENT MODEL - TARGETING REVENUE MAXIMISATION AND ACQUISITION



HIGH TOUCH



APPROACH

- Deeper Engagement
- Differentiated customer experience
- Evolved GTM approach
- Investment in specialists

OUTCOME

- Enhance Revenue & PPR
- Capture larger digital infrastructure share

DIGITALLY LEVERAGED

APPROACH

- Digital marketing (engage, nurture) & Digital sales (qualify and close)
- Packaged customer themes and aligned value propositions
- Partner ecosystem to add scale

OUTCOME

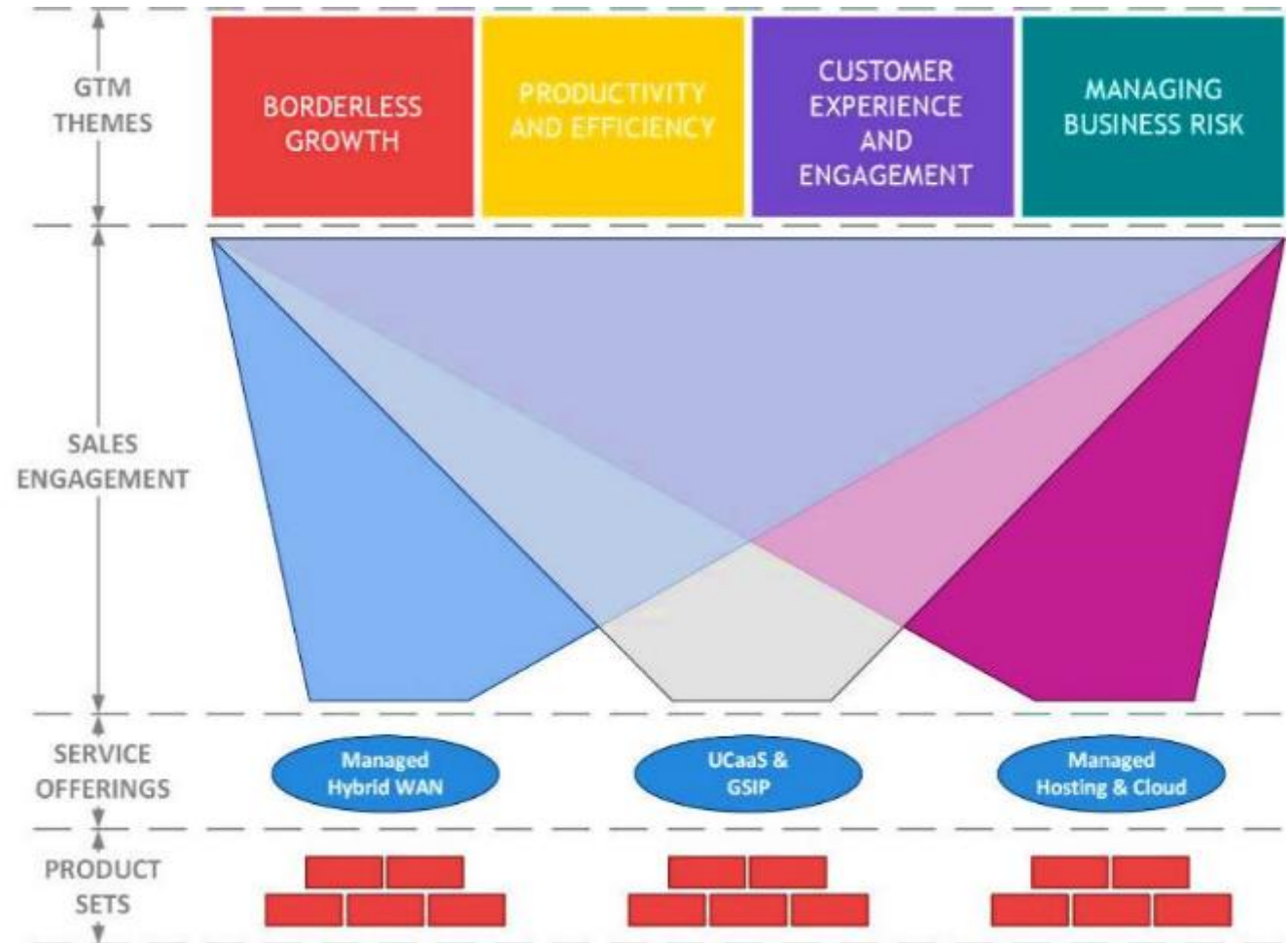
- Enhance customer base and revenue



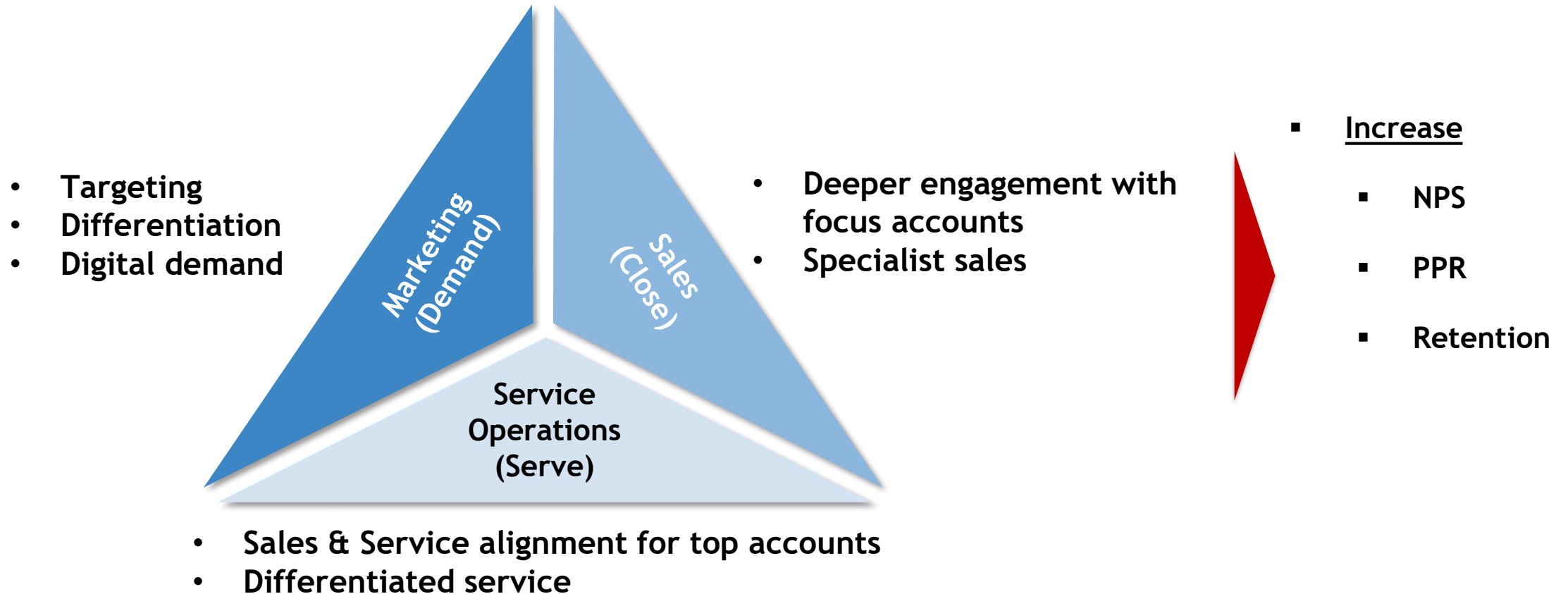
PARTNER ECOSYSTEM

WE ARE ALIGNING OUR CONVERSATIONS TO THE CUSTOMERS' BUSINESS THEMES

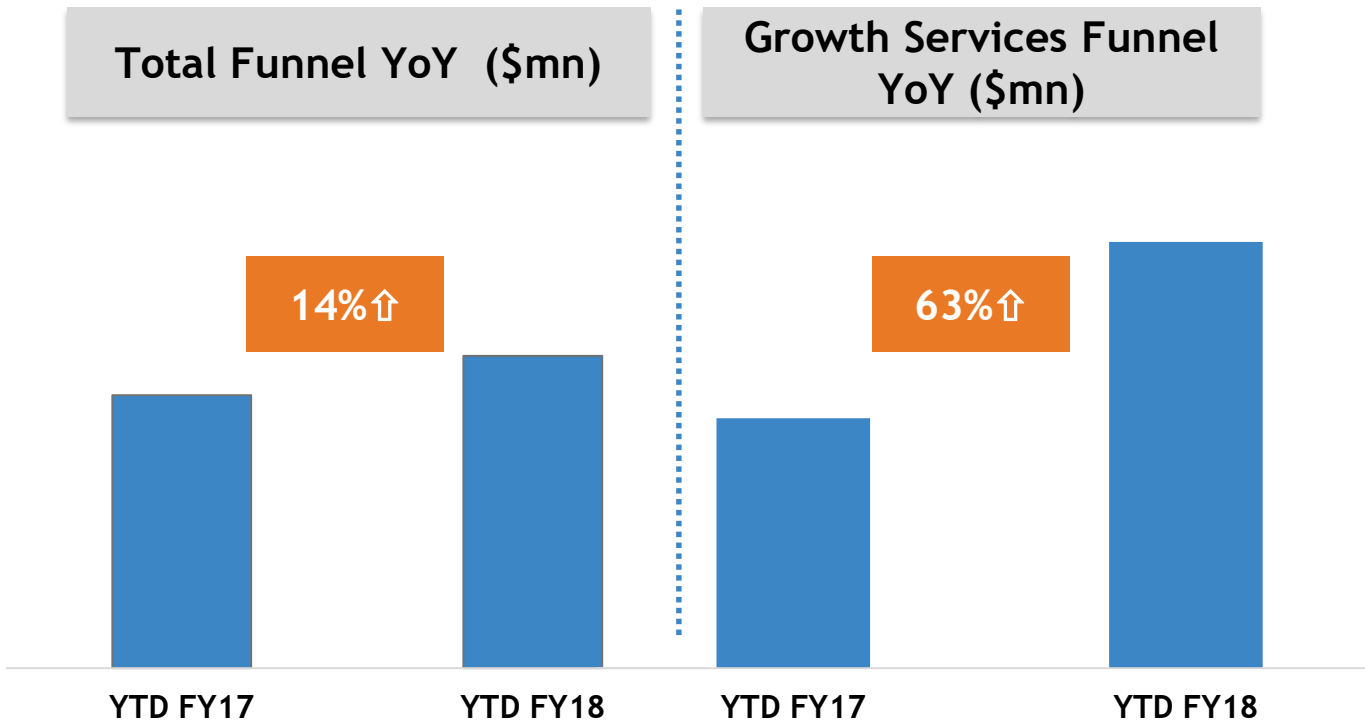
- ✓ Targeted approach
- ✓ Alignment with customer maturity
- ✓ Investment in specialists



WE HAVE INTEGRATED THE ORGANISATION TO DELIVER CUSTOMER SUCCESS



SUMMING IT ALL UP...



- ✓ Market potential exists in both India and International markets
- ✓ The need for Borderless growth is driving demand and relevancy for our services
- ✓ Significant opportunity is present in existing accounts to sell more and better
- ✓ We have evolved our GTM approach and structure
- ✓ Our growing funnel as well as the traction in Growth services is a positive indicator

THANK YOU

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