

TATA COMMUNICATIONS

For immediate release

PRESS RELEASE

Media Contact:

Divya Anand
Tata Communications
+94 (0) 713361744
divya.anand@tatacommunications.com

Investor Contact:

Mahesh Pratap Singh
Tata Communications
+91 981 916 2113
mahesh.singh@tatacommunications.com

Tata Communications continues to build business momentum buoyed by strong demand in data services

Q3 net profit at INR 219 million

Mumbai – February 02nd 2016 Tata Communications today announces its financial results for the quarter and nine months ended December 31st 2015.

Highlights for Q3 FY2016

- Consolidated revenue stood at INR 50,995 million (USD 774 million @average INR/USD exchange rate of 65.90), up 3.8% YoY
- Consolidated EBITDA at INR 7,598 million (USD 115 million) resulted in EBITDA margin of 14.9%
- Consolidated PAT of INR 219 million (USD 3 million)

Highlights for 9M FY2016

- Consolidated revenue of INR 1,54,094 million (USD 2,380 million @average INR/USD exchange rate of 64.75), up 2.1% YoY
- Consolidated EBITDA was at INR 22,670 million (USD 350 million) resulting in EBITDA margin of 14.7%

Key trends

The Core business (comprising of data and voice segments) reported yet another quarter of strong performance in revenues and profitability. Q3 FY16 Core business revenues increased by 6.1% while EBITDA was up 2.1% YoY. Q3 FY16 Core business PAT at Rs. 910 million (USD 14 million), up 134.1% YoY.

Data has continued to drive Core business performance, with both network and managed services offerings showing enhanced traction. Enterprise business has grown by 21% YOY for the 9 month period on the back of strong demand for digital transformation solutions layered on top of our global infrastructure. Q3 FY16 data revenue increased by 16.7% YoY and EBITDA margins for the corresponding business stood at 21.7%, an expansion of 70 bps YoY. The data services portfolio coupled with improved profitability in the payment services business has been the key growth driver. The new services portfolio is also beginning to gain momentum.

Global voice segment continues to be adversely impacted by structural industry-level headwinds namely the growing acceptance of Voice over Internet Protocol (VoIP) delivered by over the top carriers (OTTs) coupled with a steep decline in tariffs.

Commenting on the Q3 & 9M FY16 results, Vinod Kumar, MD and CEO, Tata Communications, says, "We are happy to have delivered yet another quarter of steady growth despite volatility in the macro-economic environment. We have seen a 16.7% YoY increase in Q3 data revenues. Data especially cloud enablement and collaboration services will continue to be the growth driver in the coming quarters."

For immediate release

PRESS RELEASE

Commenting on the results, Pratibha K. Advani, CFO, Tata Communications, says, "Our Q3 performance reflects continued business momentum in line with our strategic direction and investments. Our data business offering is growing at a significant pace ahead of the industry. This strong momentum in our data segment, both in traditional and growth services is driving our business performance. The robust and predictable data performance has provided headroom to absorb volatility in the voice segment."

Business highlights

- Tata Communications positioned as a Leader in the Gartner Magic Quadrant for Network Services, Global for the third consecutive year Tata Communications has been positioned by Gartner as a 'Leader' in its 2016 Magic Quadrant for Network Services[1]. Designed by Gartner to examine how effectively providers meet the current needs of business in terms of both 'completeness of vision' and 'ability to execute', 2016 marks the third year in a row that Tata Communications has been positioned in the Leader quadrant.
- Tata Communications launched its flagship Global SIP Connect service as a white-label solution for service providers: The Session Initiated Protocol (SIP) trunking offering will enable service providers to expand their voice services to customers through Tata Communications' global network reach and unified communications portfolio without major up-front investment in building their own solution. In turn, their business customers will benefit from a new way to transform their voice network with a potential 55% network cost saving.
- SimbaNET drives business growth in East Africa with Tata Communications: SimbaNET, a member of Wananchi Group and a leading provider of internet connectivity to businesses in Eastern Africa is collaborating with Tata Communications, to provide a portfolio of technology and communication solutions for enterprises' growing ICT requirements in East Africa.
- Tata Communications' data centre earns CEEDA Gold for energy efficiency: Tata Communications announced that its data centre in Bandra Kurla Complex (BKC), Mumbai, had been recognised with the Certified Energy Efficient Datacenter Award (CEEDA) Gold Level Certification that honours energy efficient data centres globally. The BKC data centre is the first colocation facility in Asia to earn the CEEDA Colo Gold Level Certification. It is a fully secure facility offering domestic and international colocation and data centre value added services over a gross built up area of 160,000 sq. ft. The BKC data centre addresses four environmental aspects – CRAC/HVAC, humidity, temperature and fire suppression and implements each to ensure optimum efficiency and a lower cost of ownership.
- Tata Communications and Net Insight make live sports and music events a truly real-time, interactive and social TV experience: Tata Communications announced that it had joined forces with Net Insight, a specialist in the transport of live, interactive and on-demand content, to enable media organisations to manage and deliver live OTT content globally, in complete sync across all devices, for the first time.
- Tata Communications and Formula One Management successfully test the first ever delivery of a live track-side feed on an OTT platform: Tata Communications completed another successful proof of concept with Formula One Management during a recent Grand Prix, where a new technology test delivered a live trackside feed from the Singapore track to Formula One Management's Technical HQ in Biggin Hill, UK – with no time lag between the live broadcast and the footage viewed on the app. Also known as an over-the-top (OTT) service, this test demonstrated how the Formula 1® fan experience could be enriched through new technology. The live OTT video feed was delivered using Tata Communications' global fibre network and the company's Media Ecosystem.
- Tata Communications debuts ultra-low power connectivity solution to pave the way for the Internet of Things in India: Tata Communications announced that it had successfully conducted trials of new Low Power Wide Area Network (LPWAN), based on LoRaTM technology for connected devices and cutting edge Internet of Things (IoT) applications across Mumbai and Delhi. These trials will bolster successful deployment of IoT applications in India, as Gartner forecasts that there will be 4.9 billion connected things globally in 2015, reaching 25 billion by 2020.

For immediate release

PRESS RELEASE

- Tata Communications' IZO™ Private Cloud puts the CIO back in control: Tata Communications launched the IZO™ Private Cloud service to bring CIOs unprecedented control over their public and private clouds and their entire data centre estate. The solution is designed to empower enterprises to connect to the world's biggest clouds, and to build a truly hybrid, high-performance IT infrastructure, where different cloud, colocation and managed hosting environments work together as one.

A fact sheet and results presentation providing a detailed analysis of the results for the quarter and nine months ended December 31st 2015 have been uploaded on the Tata Communications website and can be accessed at:

<http://www.tatacommunications.com/sites/default/files/downloadables/AR-Q3FY16InvestorFactSheet-FR-20160202.pdf>

<http://www.tatacommunications.com/sites/default/files/downloadables/AR-Q3FY16ResultsPresentation-FR-20160202.pdf>

Ends...

About Tata Communications

Tata Communications Limited (CIN no: L64200MH1986PLC039266) along with its subsidiaries (Tata Communications) is a leading global provider of A New World of Communications™. With a leadership position in emerging markets, Tata Communications leverages its advanced solutions capabilities and domain expertise across its global and pan-India network to deliver managed solutions to multi-national enterprises, service providers and Indian consumers.

The Tata Communications global network includes one of the most advanced and largest submarine cable networks and a Tier-1 IP network with connectivity to more than 200 countries and territories across 400 PoPs, as well as nearly 1 million square feet of data centre and collocation space worldwide.

Tata Communications' depth and breadth of reach in emerging markets includes leadership in Indian enterprise data services and leadership in global international voice.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

<http://www.tatacommunications.com>

Forward-looking and cautionary statements

Certain words and statements in this release concerning Tata Communications and its prospects, and other statements, including those relating to Tata Communications' expected financial position, business strategy, the future development of Tata Communications' operations, and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of Tata Communications, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on Tata Communications' network; failure to develop new products and services that meet customer demands and generate acceptable margins; failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services; failure to stabilize or reduce the rate of price compression on certain of the company's communications services; failure to integrate strategic acquisitions and changes in government policies or regulations of India and, in particular, changes relating to the administration of Tata Communications' industry; and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in Tata Communications' control, include, but are not limited to, those risk factors discussed in Tata Communications' various filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov. Tata Communications is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements.