

MAHANAGAR TELEPHONE NIGAM LIMITED

PRESS RELEASE

1ST Quarter result of MTNL

The Board of Directors of MTNL have taken on record the Unaudited Reviewed Financial Results for the 1st quarter ended on 30.06.2010. MTNL has been able to increase its operative revenue to Rs.9529.53 Million during this quarter ended 30.06.2010, from Rs. 9341.30 Million corresponding quarter in the previous year, despite its operations being geographically limited to the already saturated metros of Delhi and Mumbai and stiff competition from other operators. MTNL's Broadband, 3G and IPTV Services are finding great popularity in Delhi and Mumbai. MTNL, despite the fact that it provides Broadband services only in Delhi and Mumbai with 856974 Broadband subscribers on its roll, has become the second largest Broadband service provider in the entire country only after BSNL. MTNL is making all out and timely efforts to address and meet ever increasing demand for its new services. MTNL, 3G /2G Subscriber base has gone to 4902380 subscribers in a short period of time.

However, in the overall picture, MTNL has suffered a net loss of Rs.4514.35 Million during this quarter as compared to a net loss of Rs.423.06 Million during the corresponding quarter of previous year ended on 30.06.2009. This is due to increased staff cost, provision for retirement benefits and payment of spectrum on amortization of one time charges of 3G & BWA spectrum to the extent of Rs.1576.15 million during the quarter ending 30.06.2010.

MTNL has generated income from services during the 1st quarter of FY 2010-11 of Rs.9529.53 Million as compared to Rs.9341.30 million during the corresponding quarter of previous year.

During the quarter ended 30.06.2010, 117927 GSM Mobile Phone Customers and 41144 Broadband customers were added. The total GSM connections are now 49,02,380, up from 47,84,453 as on 31.03.2010.

FOR M.T.N.L.

Authorized signatory

