

**RELIANCE COMMUNICATIONS ANNOUNCES FINANCIAL RESULTS FOR THE
QUARTER (Q1) ENDED JUNE 30, 2014**

OVERALL PERFORMANCE:

PROFIT AFTER TAX AT RS. 132 CRORE, UP 21.4% Y-O-Y

NET DEBT HAS REDUCED FROM RS. 40,178 CRORE TO RS. 35,500 CRORE AS ON DATE

ANNUALISED INTEREST COST SAVING OF OVER RS. 600 CRORE TO ACCRUE FROM Q2

REVENUE AT RS. 5,523 CRORE, UP 2.1% Y-O-Y

TOTAL EBITDA AT RS. 1,863 CRORE, UP 9.5% Y-O-Y

EBITDA MARGIN AT 33.7% AMONGST THE HIGHEST IN THE INDUSTRY

Q1 INDIA OPERATIONS:

REVENUE AT RS. 4,718 CRORE, UP 1.3% Y-O-Y

EBITDA AT RS. 1,693 CRORE, UP 16.0% Y-O-Y

SEQUENTIAL QUARTER REVENUE GROWTH BY 1.5% AND EBITDA GROWTH BY 2.1%

RPM AT 43.8 PAISA, UP 4.0% Y-O-Y

TOTAL MOU AT 103.1 BILLION, ARPU UP 14.3% Y-O-Y AT RS. 136

**28.6 MILLION DATA CUSTOMERS INCLUDING 13.0 MILLION 3G CUSTOMERS
LARGEST 3G CUSTOMER BASE IN THE INDUSTRY**

TOTAL DATA TRAFFIC AT 55,276 MILLION MB, UP 78.0% Y-O-Y

HIGHEST DATA USAGE PER SUBSCRIBER IN THE INDUSTRY AT 666 MB, UP 15.5% Y-O-Y

OTHER HIGHLIGHTS:

**RAISED RS. 6,108 CRORE THROUGH QIP AND PREFERENTIAL ISSUE, THE LARGEST
PRIVATE SECTOR QIP IN INDIA**

GCX RAISED RS. 2,100 CRORE (USD 350 MN) THROUGH 5 YEAR INTERNATIONAL BONDS

Mumbai, August 14, 2014: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended June 30, 2014.

Highlights of the financial performance for the quarter are:

- **Revenue at Rs. 5,523 crore, up 2.1%** from Rs. 5,412 crore in Q1 previous year.
- **EBITDA at Rs. 1,863 crore, up 9.5%** from Rs.1,701 crore in Q1 previous year. EBITDA margin at 33.7%, amongst the highest in the industry, with strong contribution from both India and Global businesses.
- **Net Profit at Rs. 132 crore, up 21.4%** from Rs. 108 crore in Q1 previous year.

KEY HIGHLIGHTS for Q1FY15:

1. **Consolidated Revenue & EBITDA:** RCOM Q1 consolidated revenue at Rs. 5,523 crore, up 2.1% from Rs. 5,412 crore in Q1 previous year. Q1 EBITDA at Rs. 1,863 crore, with EBITDA margin of 33.7% amongst the highest in the industry.
2. **India Operations Revenue & EBITDA:** Q1 India Operations revenue at Rs. 4,718 crore, up 1.3% Y-O-Y from Rs. 4,659 cr in Q1 previous year. Q1 India Operations EBITDA at Rs. 1,693 crore, up 16.0% Y-O-Y.
3. **Global Operations Revenue & EBITDA:** Q1 Revenues at Rs. 1,073 crore, down by 5.1% from Rs. 1,131 crore in Q1 previous year. Q1 EBITDA at Rs.170 crore, margin stands at 15.9%.
4. **RCOM continues to be free cash flow positive.** RCOM generated operational cash flow (EBITDA) of Rs. 1,863 crore in Q1, paid net finance charges of Rs. 767 crore and invested Rs. 415 crore on capex during the quarter. It remains free cash flow (FCF) positive and this is expected to continue.
5. **Key Performance Indicators (KPIs):**
 - a. **RPM:** RPM up 4.0% Y-O-Y, at 43.8 paisa. Voice RPM at 33.3 paisa. During the quarter, we have significantly improved RPM with tariff hikes and strong focus on paid and profitable minutes.
 - b. **MOU:** The total MOUs at 103.1 billion.
 - c. **ARPU:** ARPU up 14.3% Y-O-Y at Rs. 136 in Q1.
 - d. **Data Traffic:** The total data traffic up 78.0% Y-O-Y at 55,276 million MB. The traffic has increased due to increase in data subscribers and higher data usage per customer.
 - e. **Data Customers:** The total data customer base has grown 51.3% Y-O-Y to 28.6 million including 13.0 million 3G customers in Q1.
6. **RCOM QIP Programme:** During the quarter, the Company received overwhelming response in the QIP Programme. In the largest ever private sector QIP in the history of corporate India, the Company has raised Rs. 4,808 crore in its maiden QIP issue. It shows the confidence of the Investors in our company. The Promoters have also committed to subscribe the securities of the Company for Rs. 1,300 crore under Preferential issue. The proceeds of QIP offering and the preferential allotment is being utilised primarily for repayment of debt and de-leveraging the balance sheet which will strengthen the financial position of the company.
7. **Global Cloud Xchange raised Rs. 2,100 crore (USD 350 mn):** Global Cloud Xchange successfully debuted in the Global Capital Market by raising USD 350 Mn fixed rate notes maturing in 2019. The notes were priced at 100% and with a coupon and yield of 7%. USD 250 Mn of the proceeds will be used to refinance the existing bank loan facility entered into by Reliance Globalcom B.V., and the rest of the proceeds will be used for Capex and general corporate purposes.

8. RCOM and Reliance Jio Infocomm Ltd. announced the signing of a Master Services Agreement for sharing of RCOM's extensive intra-city optic fiber infrastructure:

Under the terms of the agreement, Reliance Jio Infocomm will utilize RCOM's nationwide intra-city fiber network for accelerated roll-out of its 4G services across the country. The agreement is based on arm's length pricing at prevailing market prices. RCOM's intra-city optic fiber network extends to nearly 500,000 fiber pair kilometres, across the top 300 cities and towns in India.

This 3rd agreement further strengthens the comprehensive framework of business co-operation between Reliance Jio Infocomm and RCOM, following the inter-city optic fiber sharing agreement signed in April 2013, and the nationwide telecom towers infrastructure sharing agreement signed in August 2013.

9. RCOM announces One India, One Rate plan: RCOM launched One India, One Rate Plans, a first-of-its-kind free National Roaming offer for post-paid and pre-paid GSM customers. Under this innovative offer, there will be no difference between Local, STD and Roaming charges and customers will be charged only their Home Plan tariffs, even while roaming anywhere in India.

With the One India, One Rate Plans, customers will no longer have to worry about using their phone while roaming or making STD calls. Non-Reliance customers can also avail these plans on their existing mobile numbers by porting-into Reliance through attractive MNP offers

10. RCOM Offers Non-stop 3G Roaming Across India: RCOM announced strategic Inter-Circle roaming partnerships with other leading telecom companies to offer non-stop and best-in-class pan-India 3G services to its GSM customers while roaming. With this innovative alliance, all existing and new 3G customers of RCOM will be able to access high-speed pan-India 3G services while roaming outside the Company's own 3G circles.

RCOM is the first operator to offer 3G national roaming to its customers in partnership with other telecom firms having state-of-the-art 3G networks. These alliances will further consolidate RCOM's position as the leading data operator in the country and will help the Company improve its post-paid and Corporate customer market share.

The 3G GSM partnership, therefore, opens up a significant market opportunity for RCOM, as all its 3G customers will now be able to access best-in-class data services on a pan-India basis.

11. Global Cloud Xchange Announces Plan for New Subsea Cable Between Mumbai and Singapore:

Global Cloud Xchange announced its latest investment into the Asia Pacific region. The new ICX cable infrastructure is part of the company's strategy to provide a direct subsea route to bridge an important gap in the emerging markets corridor, specifically delivering a direct Mumbai-Singapore route to bypass current outage prone terrestrial routes between Mumbai and Chennai.

12. Major Rewards & Recognition during the quarter:

Managed Video Conferencing Service Provider of the Year – RCOM received this prestigious title at the 2014 Frost & Sullivan India ICT Awards in recognition of RCOM's industry leading expertise and experience in conceptualising and delivering Video Conferencing services to the Indian corporate sector.

About Reliance Communications

Reliance Communications Limited founded by the late Shri Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Group. The Reliance Group currently has a net worth in excess of Rs. 91,500 crore (US\$ 15.3 billion), cash flows of Rs. 10,200 crore (US\$ 1.7 billion), net profit of Rs. 4,700 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company has a customer base of about 118 million including over 2.6 million individual overseas retail customers. Reliance Communications corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 global, regional and domestic carriers.

Reliance Communications has established a pan-India, next generation, integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting best-of-class services spanning the entire communications value chain, covering over 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 280,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results: Quarterly Summary

(Rs. Crore)

Particulars	1QFY14	1QFY15	Inc/ Dec (y-o-y)
Turnover			
India Operations	4,659	4,718	1.3%
Global Operations	1,131	1,073	-5.1%
Total (post eliminations)	5,412	5,523	2.1%
EBITDA			
India Operations	1,459	1,693	16.0%
Global Operations	242	170	-29.7%
Total (post eliminations)	1,701	1,863	9.5%
EBITDA margin	31.4%	33.7%	
Depreciation	883	931	5.4%
Financial Charges (net)	687	767	11.7%
PBT	131	165	25.5%
Tax	1	1	-
PAT (before minority interest / associates)	130	164	25.4%
PAT (after minority interest / associates)	108	132	21.4%