

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER (Q2) ENDED SEPTEMBER 30, 2013**

OVERALL PERFORMANCE:

PAT UP 562% Y-O-Y AT RS. 675 CRORE
EXCLUDING PROVISION WRITE BACK, PAT UP 129.4% Y-O-Y AT RS. 234 CRORE
OPERATING REVENUE UP 3.7 % Y-O-Y AT RS. 5,394 CRORE FROM RS. 5,202 CRORE
TOTAL EBITDA UP 42.1% Y-O-Y AT RS. 2,328 CRORE
OPERATING EBITDA UP 15.2% Y-O-Y AT RS. 1,887 CRORE

INDIA OPERATIONS:

REVENUES UP 5.4% Y-O-Y AT RS. 4,624 CRORE
VOICE REVENUES UP 7.8% Y-O-Y AT RS. 3,384 CRORE
NON VOICE REVENUES STABLE AT RS. 1,018 CRORE
EBITDA UP 15.1% Y-O-Y AT RS. 1,640 CRORE
RPM UP 7.7% Y-O-Y AT 43.4 PAISA
ARPU UP 26.3% Y-O-Y AT RS. 120
34 MILLION DATA CUSTOMERS INCLUDING 9.1 MILLION 3G CUSTOMERS
LARGEST 3G CUSTOMER BASE IN THE INDUSTRY
TOTAL DATA TRAFFIC UP 116% Y-O-Y AT 37,570 MILLION MB
HIGHEST DATA USAGE PER SUBSCRIBER IN THE INDUSTRY AT 385 MB UP 66% Y-O-Y
TOTAL MOU DOWN 1.7% Y-O-Y AT 101.5 BILLION, DUE TO SEASONALITY FACTORS, IN-LINE
WITH INDUSTRY, AND REDUCTION OF UNPROFITABLE TRAFFIC

GLOBAL OPERATIONS:

REVENUES STABLE AT RS. 1,139 CRORE
EBITDA UP 15.5% Y-O-Y AT RS. 246 CRORE

Mumbai, November 12, 2013: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended September 30, 2013.

Highlights of the financial performance for the quarter are:

- **Operating Revenue at Rs. 5,394 crore** (excluding provision write back of Rs. 441 crore), **up 3.7%** from Rs. 5,202 crore in Q2 previous year.
- **Operating EBITDA at Rs. 1,887 crore**(excluding provision write back of Rs. 441 crore), **up 15.2%** from Rs.1,638 crore in Q2 previous year. EBITDA margin at 35.0%, amongst the highest in the industry, with strong contribution from both India and Global businesses.
- **Net Profit at Rs. 234 crore** (excluding provision write back of Rs. 441 crore), **up 129.4%** from Rs. 102 crore in Q2 previous year

KEY HIGHLIGHTS:

1. **India Operations Revenue & EBITDA:** Q2 India Operations revenue at Rs. 4,624 crore, up 5.4% Y-O-Y from Rs.4,387 cr in Q2 previous year. Q2 India Operations EBITDA at Rs. 1,640 crore, up 15.1% Y-O-Y.
2. **Global Operations Revenue & EBITDA:** Q2 Revenues at Rs. 1,139 crore, down by 0.3% from Rs. 1,143 crore in Q2 previous year. Q2 EBIDTA at Rs.246 crore, up by 15.5% Y-O-Y. Q2 EBITDA margin stands at 21.6%.
3. **RCOM continues to be free cash flow positive.** RCOM generated operational cash flow (EBITDA) of Rs. 2,328 crore in Q2, paid net finance charges of Rs. 676 crore and invested Rs. 364 crore on capex during the quarter. It remains free cash flow (FCF) positive and this is expected to continue.
4. **Key Performance Indicators (KPIs):**
 - a. **RPM:** RPM increased to 43.4 paisa, up 7.7% Y-O-Y. We have significantly improved RPM with tariff hikes and strong focus on paid and profitable minutes.
 - b. **MOU:** The total MOUs down by 1.7% y-o-y at 101.5 billion, due to seasonality, in-line with the industry, and reduction of unprofitable traffic.
 - c. **ARPU:** ARPU up 26.3% y-o-y at Rs. 120 in Q2.
 - d. **Data Traffic:** The total data traffic up 116% y-o-y at 37,570 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 30.8% y-o-y to 34 million including 9.1 million 3G customers in Q2.
5. The business of RCOM has been re-organized into two strategic customer-facing geographical business units: India and Global Operations. It has no impact on consolidated financials of the Company including consolidated revenue and EBITDA. This simplified segment reporting will lead to enhanced transparency and disclosures of the financial performance of the company.
6. **RCOM ties up with Apple to offer iPhone 5c and 5s with attractive customer offerings:** RCOM announced a revolutionary Apple iPhone offer that promises to change the way people buy the iconic Smartphone in India. The Company has announced two game-changing offers—just Rs 2,599 per month for the iPhone 5c and Rs 2,999 per month for the iPhone 5s, both for a duration of 24 months—which include the handset cost, unlimited local and STD calls, SMS, national roaming and 3G data. And in another first in India, ever, RCOM is offering these much-awaited iPhone models at no down payment.

Furthermore, under this unique offer, Apple iPhone 5c and iPhone 5s customers will not receive any usage bill for 24 months, as the monthly payments include all usage charges. Only international calls and international roaming charges will have to be paid for.
7. **RCOM offers 3G at 2G prices:** RCOM announced the launch of exciting new 3G data offer at 2G data prices in a pioneering move for Smartphone and Tablet users, targeting the fast-growing segment. The aggressive and affordable pricing is all set to trigger a wave of 3G adoption in the country, ensuring greater traction from mid- to high-level data users, and resulting in significant data usage and revenue growth across customer segments. With this

offer, all new and existing Reliance subscribers can now avail of best-priced 3G services across the post-paid and pre-paid segments. Reliance 3G customers can now enjoy the Smartphone experience on the Company's 'Built-for-Internet' superior network with ultra fast video streaming on their Smartphones and tablets, without any delay and buffering, anytime, anywhere. Under the new offer, this experience will come without the burden of high data charges.

8. Recent Rewards & Recognition:

Leading Lights Award - RCOM won Leading Lights award - "Most Innovative Enterprise Service" for its services "Connect Prime". Leading Light award is given to world's top telecom companies for excellence in service, applications and equipment.

IT EDGE Award - RCOM is the only telecom company to receive this award for information technology. It has been awarded for our Innovative and Agile IT processes setup using TM forum standards, benchmarked in International arena.

IT Transformers Award - Awarded for Enterprise Storage Management innovative Solution which enables RCOM to virtualize the exponential storage requirements for Tier 1 applications through optimization and effective solution engineering of Storage, at the same time improving the SLAs for our businesses.

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. 89,600 crore (US\$ 16.5 billion), cash flows of Rs. 9,100 crore (US\$ 1.7 billion), net profit of Rs. 4,300 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of about 125 million including over 2.5 million individual overseas retail customers, ranks among the Top 7 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 830 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 24,000 towns and 600,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 277,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results: Quarterly Summary

(Rs. Crore)

Particulars	2QFY13	1QFY14	2QFY14	Inc/ Dec (y-o-y)
Operating Income				
India Operations	4,387	4,659	4,624	5.4%
Global Operations	1,143	1,131	1,139	-0.3%
Total (net of eliminations)	5,202	5,412	5,394	3.7%
EBITDA				
India Operations	1,425	1,459	1,640	15.1%
Global Operations	213	242	246	15.5%
Total (net of eliminations)	1,638	1,701	2,328*	42.1%
EBITDA margin	31.5%	31.4%	35.0%	
Depreciation	913	883	937	2.6%
Financial Charges (net)	593	687	676	14.0%
Exceptional items	-	-	-	-
PBT	132	131	715	441.7%
Tax	-	1	1	-
PAT (before minority interest / associates)	132	130	714	440.8%
Share of minority interest / associates	30	22	39	30.0%
PAT (after minority interest / associates)	102	108	675*	561.8%

* Excluding write back of provision of Rs. 441 crore, PAT is Rs. 234 crore