

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER (Q3) ENDED DECEMBER 31, 2013**

OVERALL PERFORMANCE:

REVENUE UP 1.9 % Y-O-Y AT RS. 5,403 CRORE FROM RS. 5,301 CRORE

TOTAL EBITDA UP 11.6% Y-O-Y AT RS. 1,845 CRORE

PAT UP 2.7% Y-O-Y AT RS. 108 CRORE

INDIA OPERATIONS:

REVENUES UP 3.2% Y-O-Y AT RS. 4,637 CRORE

VOICE REVENUES UP 6.5% Y-O-Y AT RS. 3,417 CRORE

EBITDA UP 15.0% Y-O-Y AT RS. 1,606 CRORE

RPM UP 5.1% Y-O-Y AT 43.5 PAISA

VOICE RPM UP 8.4% Y-O-Y AT 33.5 PAISA

ARPU UP 11.6% Y-O-Y AT RS. 125

**36.2 MILLION DATA CUSTOMERS INCLUDING 11.1 MILLION 3G CUSTOMERS
LARGEST 3G CUSTOMER BASE IN THE INDUSTRY**

TOTAL DATA TRAFFIC UP 85.2% Y-O-Y AT 41,702 MILLION MB

HIGHEST DATA USAGE PER SUBSCRIBER IN THE INDUSTRY AT 396 MB UP 41.4% Y-O-Y

TOTAL MOU AT 101.9 BILLION

GLOBAL OPERATIONS:

REVENUES DOWN 8.3% Y-O-Y AT RS. 1,090 CRORE

EBITDA DOWN 6.6% Y-O-Y AT RS. 239 CRORE

Mumbai, February 07, 2014: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended December 31, 2013.

Highlights of the financial performance for the quarter are:

- **Revenue at Rs. 5,403 crore, up 1.9%** from Rs. 5,301 crore in Q3 previous year.
- **EBITDA at Rs. 1,845 crore, up 11.6%** from Rs.1,653 crore in Q3 previous year. EBITDA margin at 34.2%, amongst the highest in the industry, with strong contribution from both India and Global businesses.
- **Net Profit at Rs. 108 crore, up 2.7%** from Rs. 105 crore in Q3 previous year

KEY HIGHLIGHTS:

1. **India Operations Revenue & EBITDA:** Q3 India Operations revenue at Rs. 4,637 crore, up 3.2% Y-O-Y from Rs.4,493 cr in Q3 previous year. Q3 India Operations EBITDA at Rs. 1,606 crore, up 15.0% Y-O-Y.
2. **Global Operations Revenue & EBITDA:** Q3 Revenues at Rs. 1,090 crore, down by 8.3% from Rs. 1,188 crore in Q3 previous year. Q3 EBIDTA at Rs.239 crore, down by 6.6% Y-O-Y. Q3 EBITDA margin stands at 21.9%.
3. **RCOM continues to be free cash flow positive.** RCOM generated operational cash flow (EBITDA) of Rs. 1,845 crore in Q3, paid net finance charges of Rs. 749 crore and invested Rs. 327 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 43.5 paisa, up 5.1% Y-O-Y. Voice RPM has increased to 33.5 paisa, up 8.4% 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 1.8% y-o-y at 101.9 billion.
 - c. **ARPU:** ARPU up 11.6% y-o-y at Rs. 125 in Q3.
 - d. **Data Traffic:** The total data traffic up 85.2% y-o-y at 41,702 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 31.2% y-o-y to 36.2 million including 11.1 million 3G customers in Q3.
5. **RCOM makes full repayment of another syndicated ECB loan of US\$ 500 mn (Rs. 3,100 cr):** RCOM has fully repaid another syndicated ECB loan of US\$ 500 Million (Rs.3,100 crore approx) on schedule due date.

RCOM had earlier this year made full scheduled repayment of 2 other syndicated ECB loans aggregating US\$ 1 billion (Rs. 6,200 crore), and bilateral ECB loans of more than US\$ 310 million (Rs.1,900 crore approx). With these repayments, RCOM has now fully liquidated the borrowings from 23 foreign banks and financial institutions.

6. **RCOM ties up with Apple to offer iPhone 4s, 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 three game-changing offers—just Rs 2,499 per month for the iPhone 4s, Rs 2,999 per month for the iPhone 5c and Rs 3,599 per month for the iPhone 5s, 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 4s, 5c and 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. Recent Rewards & Recognition:

NASSCOM-DSCI Excellence Award: RCOM won this prestigious award for security in telecom sector for its innovative IT Security and Privacy efforts which focus on robust risk management and compliance.

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 126 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	3QFY13	3QFY14	Inc/ Dec (y-o-y)
Turnover			
India Operations	4,493	4,637	3.2%
Global Operations	1,188	1,090	-8.3%
Total (post eliminations)	5,301	5,403	1.9%
EBITDA			
India Operations	1,397	1,606	15.0%
Global Operations	256	239	-6.6%
Total (post eliminations)	1,653	1,845	11.6%
EBITDA margin	31.2%	34.2%	
Depreciation	934	948	1.5%
Financial Charges (net)	605	749	23.8%
Exceptional items	-		-
PBT	114	148	29.9%
Tax	-	3	-
PAT (before minority interest / associates)	114	145	27.3%
PAT (after minority interest / associates)	105	108	2.7%