

Reliance Communications

Investor Presentation

August, 2013

RELIANCE

Forward looking statements – Important Note

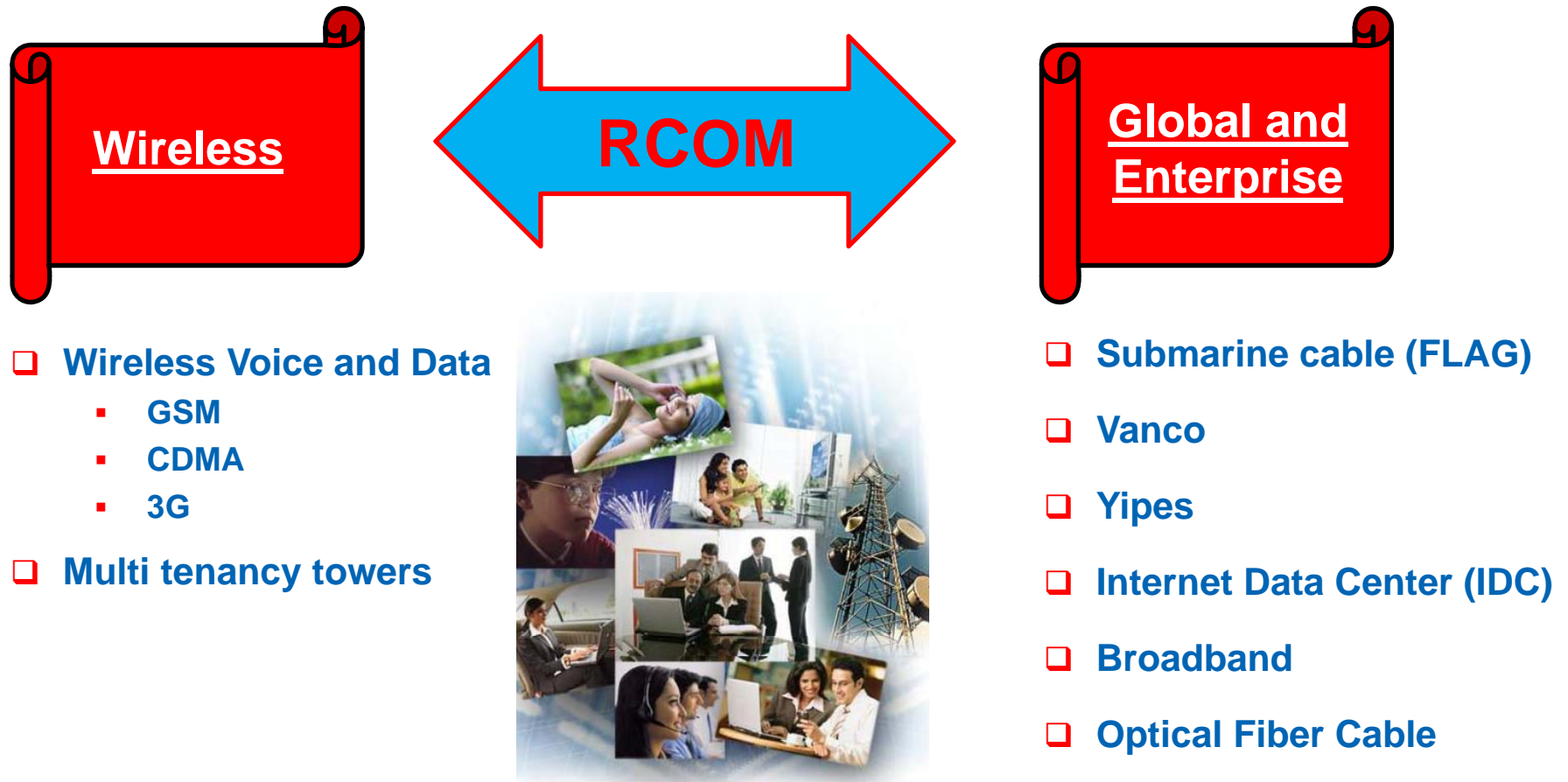
This presentation and the discussion that follows may contain “forward looking statements” by Reliance Communications Ltd (“RCOM”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the directors and management of RCOM about the business, industry and markets in which RCOM operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond RCOM’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of RCOM. In particular, such statements should not be regarded as a projection of future performance of RCOM. It should be noted that the actual performance or achievements of RCOM may vary significantly from such statements.

Contents

Reliance Communications – an integrated telco

- Wireless
- Global Enterprise
- New Opportunities for monetising the assets
- Key takeaways

Reliance Communications : A Fully Integrated Telco



Full suite of telecom services across wide spectrum for every segment

Business built on Leadership & Scale



Wireless

- ❑ Dual Technology Advantage (GSM + CDMA)
- ❑ Pan India Voice and Data network
- ❑ 3G license in 13 circles (highest number of circles by single operator)
- ❑ Data leadership (3G, HSD & 1x) – Widest footprint of wireless broadband
- ❑ 50k Towers & 200k+ slots, unique ability to provide space & connectivity

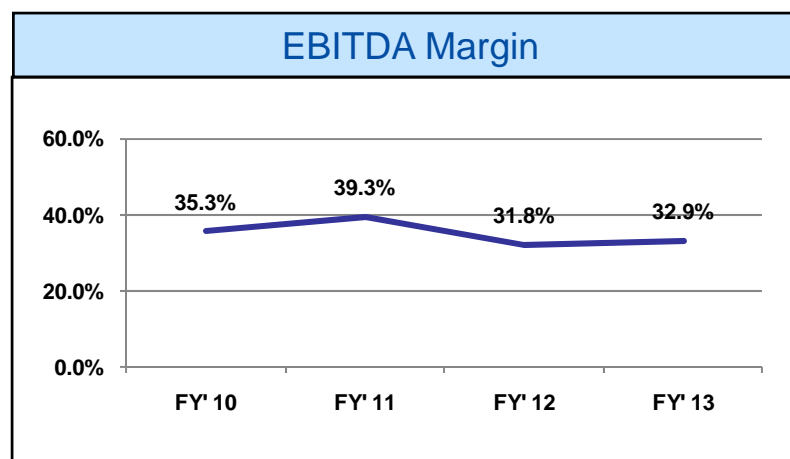
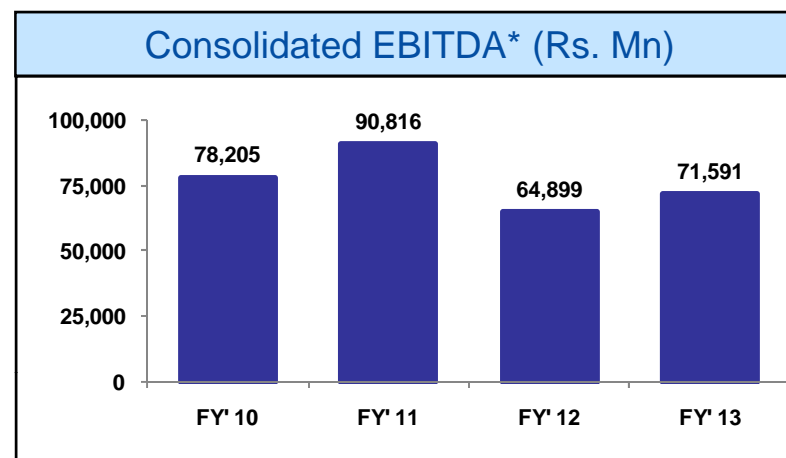
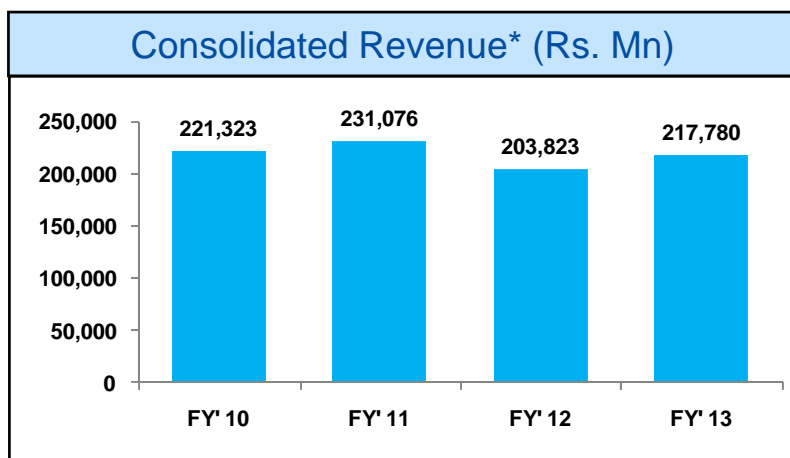


Global and Enterprise

- ❑ Largest Fiber Optic cable footprint (190,000 KMs)
- ❑ Blue-chip global clients
- ❑ One stop shop for all large corporates and SMBs for communications, networking and IT infrastructure needs
- ❑ Amongst Top 10 Data Centers in the world and # 1 in India

RCOM achieved in 6 years what others took 15+ Years

Financial Highlights



*FY'11 revenue and EBITDA includes one time IRU License income in Global Enterprise business of Rs. 2,545 Cr. and associated EBITDA of Rs. 2,530 Cr.
FY'13 revenue includes one time Rs. 550 Cr. on account of reversal of provision for business restructuring.

Amongst highest EBITDA margin in the industry in hyper competitive environment

Contents

- ❑ Reliance Communications – an integrated telco

Wireless

- Global Enterprise

- ❑ New Opportunities for monetising the assets

- ❑ Key takeaways

Strengths of Wireless Business

- 1 **Widest Coverage and Product Portfolio**
- 2 **Data Leadership (3G, High Speed Data & 1x)**
- 3 **Youth & Innovation Centric Brand**
- 4 **Focus on Quality of Minutes**

All this with only 6 years in industry, vs. 15+ years for competition

Strengths of Wireless Business



1

Widest Coverage and Product Portfolio

2

Data Leadership (3G, High Speed Data & 1x)

3

Youth & Innovation Centric Brand

4

Focus on Quality of Minutes

All this with only 6 years in industry, vs. 15+ years for competition

Widest Coverage – Pan India presence



24,000 Towns

600,000 Villages

1 Billion Indians



Data

3G

HSD

Voice

VAS

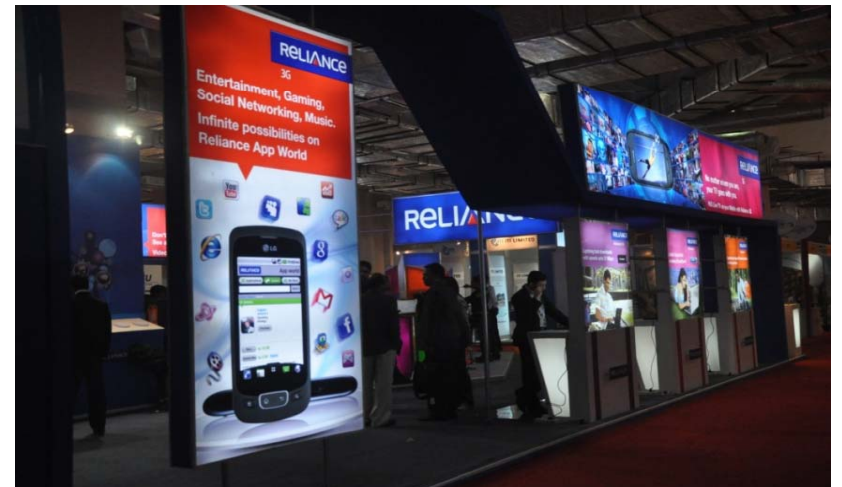
CDMA

GSM



Distribution & Reach

- ❑ 900 exclusive flagship retail showrooms on High streets/Malls with world class design & layout
- ❑ High quality reach & national footprint through 5,000 distributors & over 1 mn retailers
- ❑ Dimensioned to handle over 35 mn sales transactions annually
- ❑ Tie-up with leading bank ATMs to provide Any Time Recharge (ATR)



One of the largest retail distribution network in the industry

Widest Product Portfolio (Enhanced Data Offering)

Mobile Handheld

Dongles / Tabs

Voice



CDMA



GSM

Data



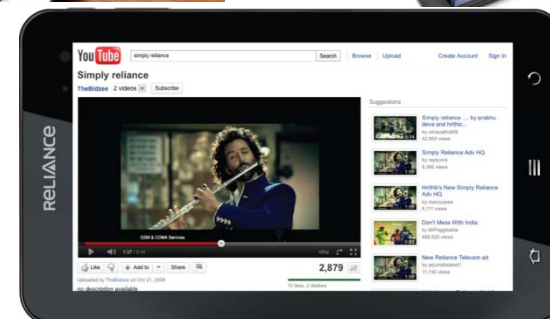
Video



3G HSPA



CDMA HSD



Wide options for Voice, Data & Video across CDMA & GSM platforms

Strengths of Wireless Business

1

Widest Coverage and Product Portfolio



2

Data Leadership (3G, High Speed Data & 1x)

3

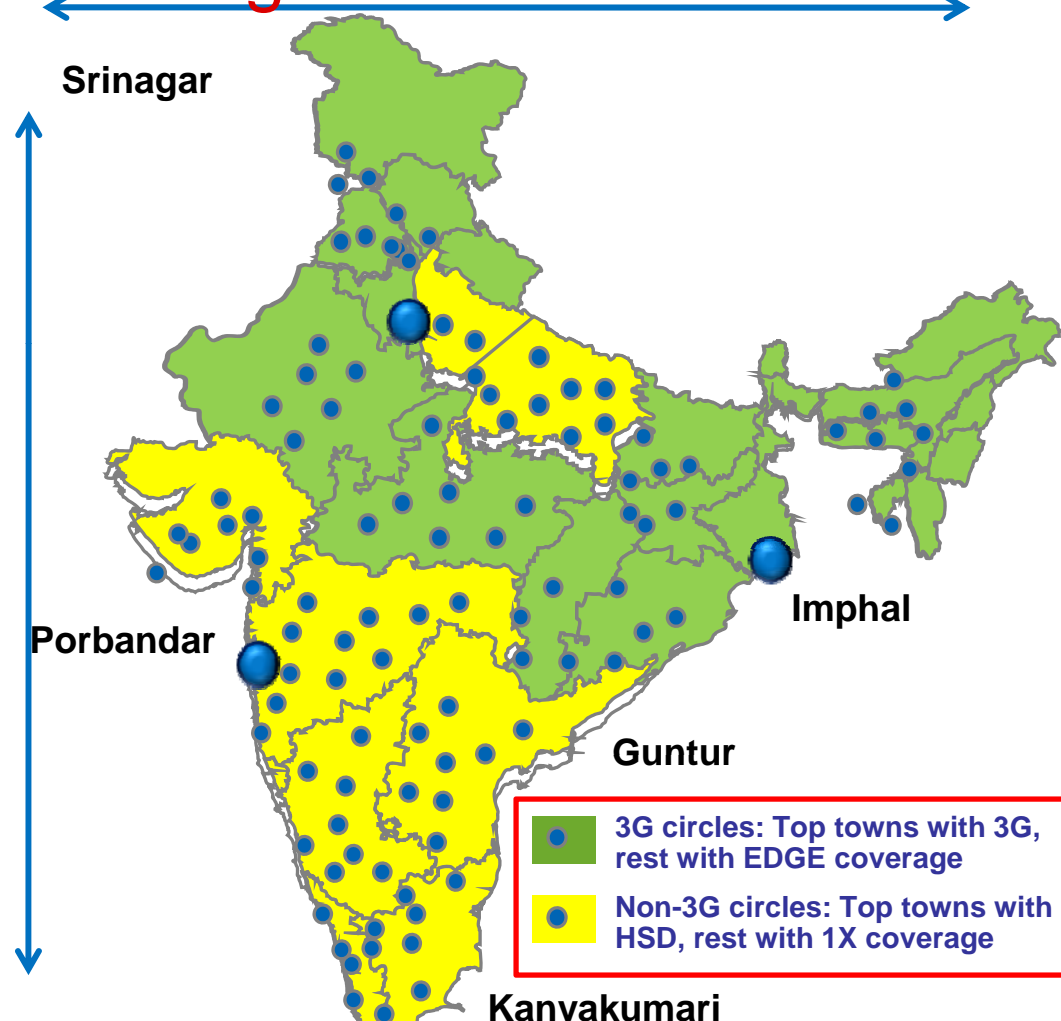
Youth & Innovation Centric Brand

4

Focus on Quality of Minutes

All this with only 6 years in industry, vs. 15+ years for competition

Data Leadership : Leading the 2nd telecom revolution Enabling “Wire Free” India



High speed data internet (3G, HSD)

Number of 3G towns 333

Number of HSD towns ~1,000

Total high speed internet towns ~1,300 towns

Mobile internet (1X , EDGE)

Total towns with Mobile Internet 20,000 + towns

Offering the widest footprint of High Speed Data across the length and breadth of India

Driving the entire Data eco-system



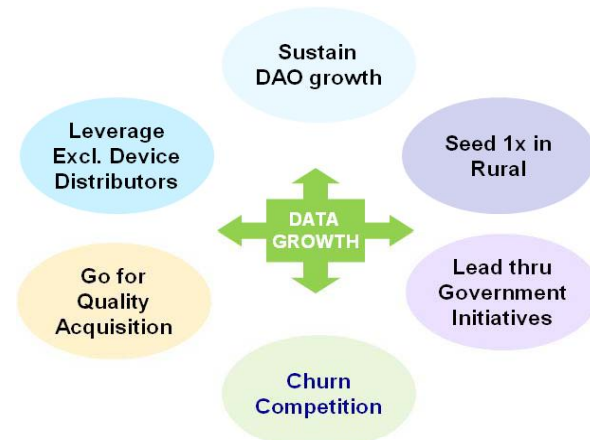
**Worry-free billing
& tariffs with 'My
Best Plan'**



**Enabling device
ecosystem through
proprietary tab & partner
handsets**



**Signed marquee partnership with
Google on Android to drive data
usage on mobile devices**



**Several S&D initiatives to expand
data distribution reach**

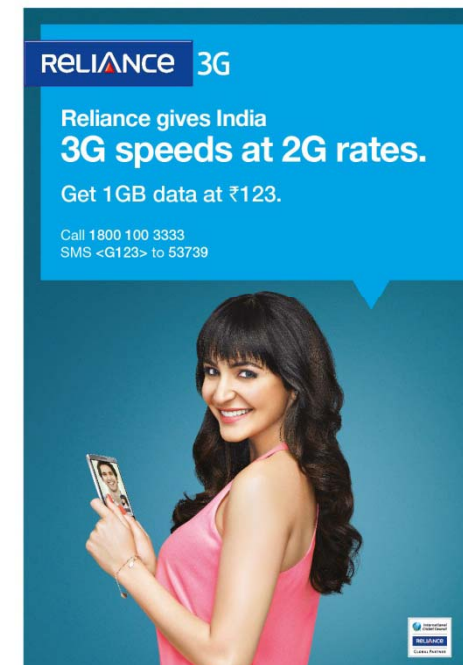
World class Device and Apps partnerships



Enter into strategic partnerships to enhance device ecosystem and providing easy access to social networking

3G Data speed @ 2G rates

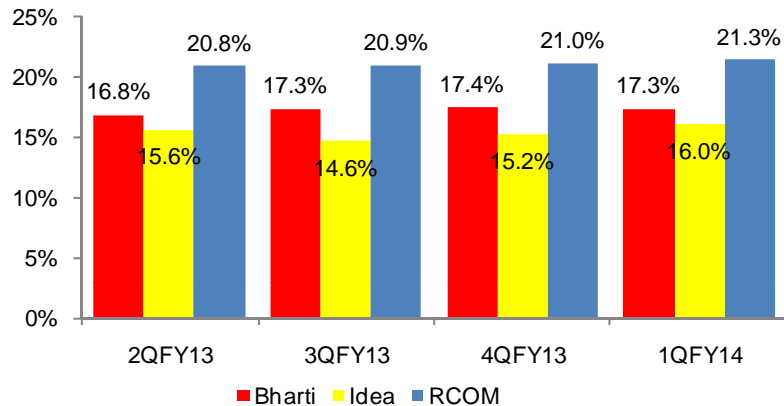
- ❑ Affordability = Data democratisation
- ❑ Breaks 'Entry Barrier' to help every Indian adopt 3G
- ❑ RCOM's Built for Video network to deliver superior 3G experience
- ❑ Aim to get 40% share of smart-phone market



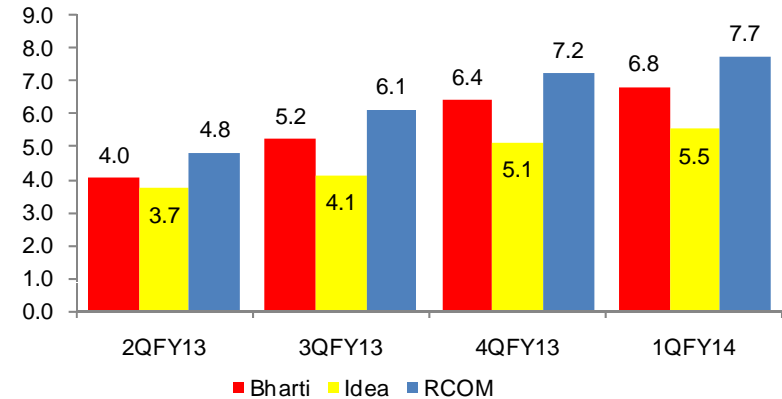
Future is 3G and RCOM is driving the change

Wireless Data KPIs

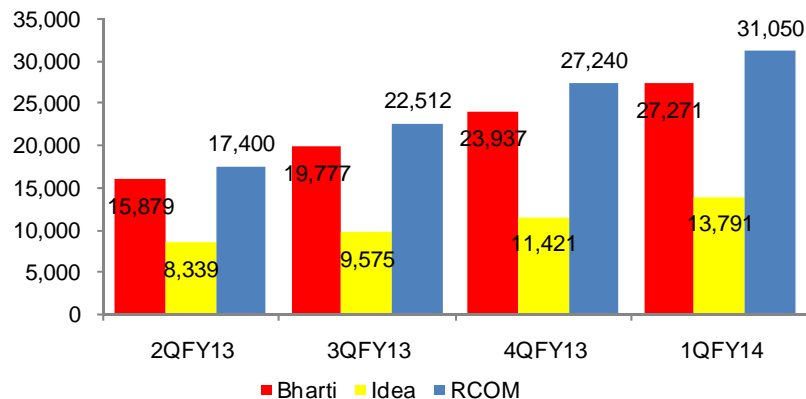
Non-voice as % of Total Revenue



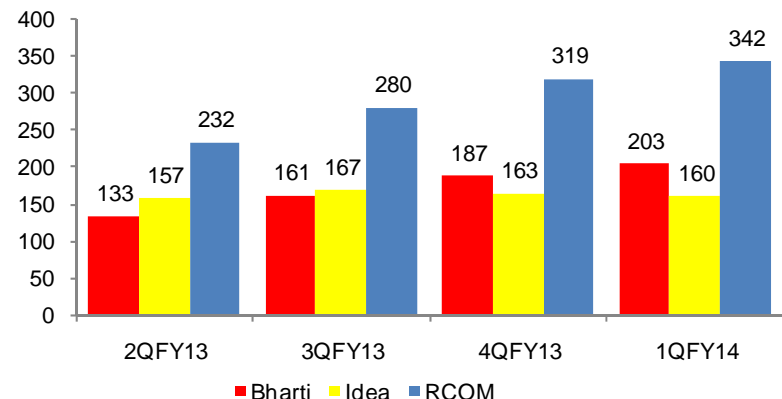
No. of 3G Active Subscriber (Mn.)



Total Data Traffic on Network (Mn. MBs)



Data usage per customer (MB)



RCOM is the leader in the wireless data market

Strengths of Wireless Business

1

Widest Coverage and Product Portfolio

2

Data Leadership (3G, High Speed Data & 1x)



3

Youth & Innovation Centric Brand

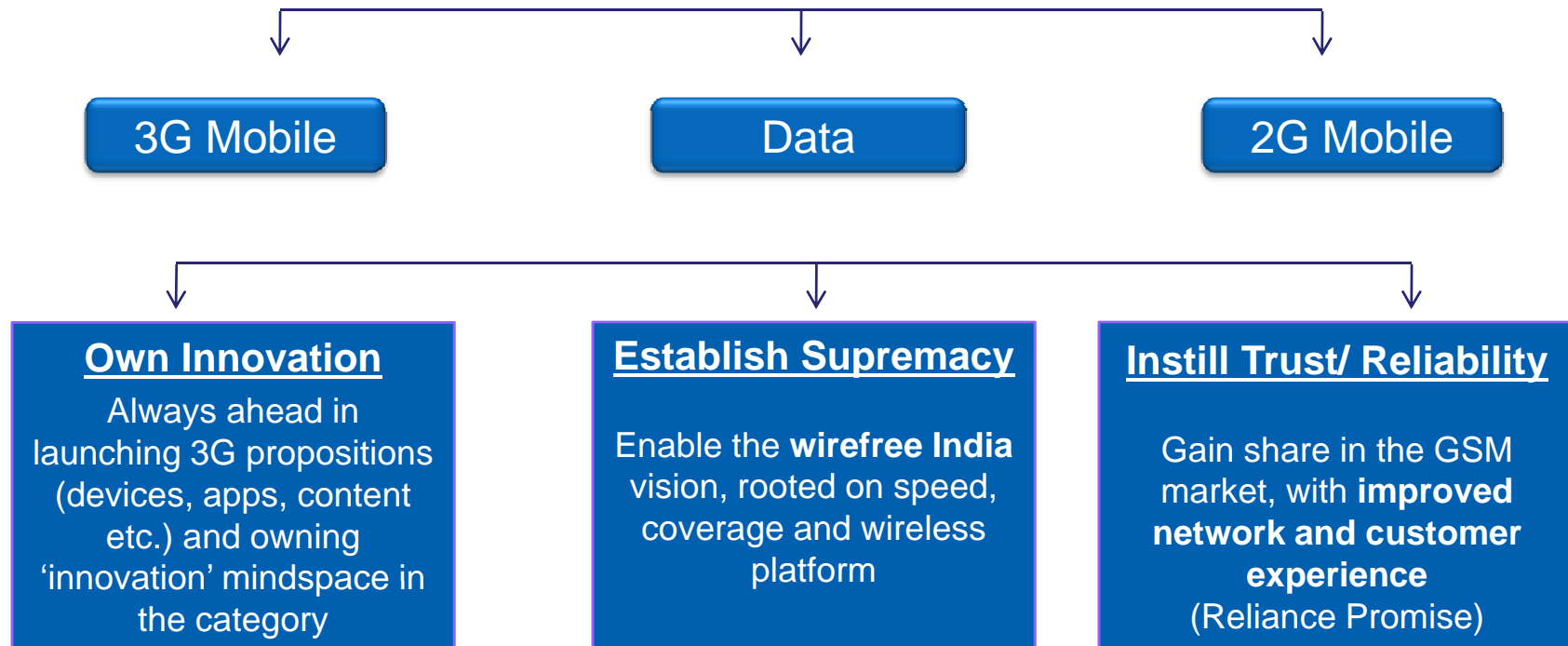
4

Focus on Quality of Minutes

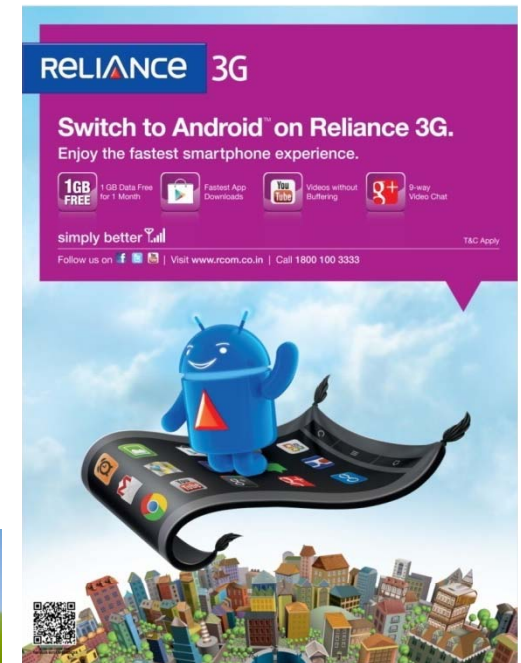
All this with only 6 years in industry, vs. 15+ years for competition

Youth & Innovation-centric Brand

Redefining Brand Positioning



3G | The 'Blue Bot' campaign



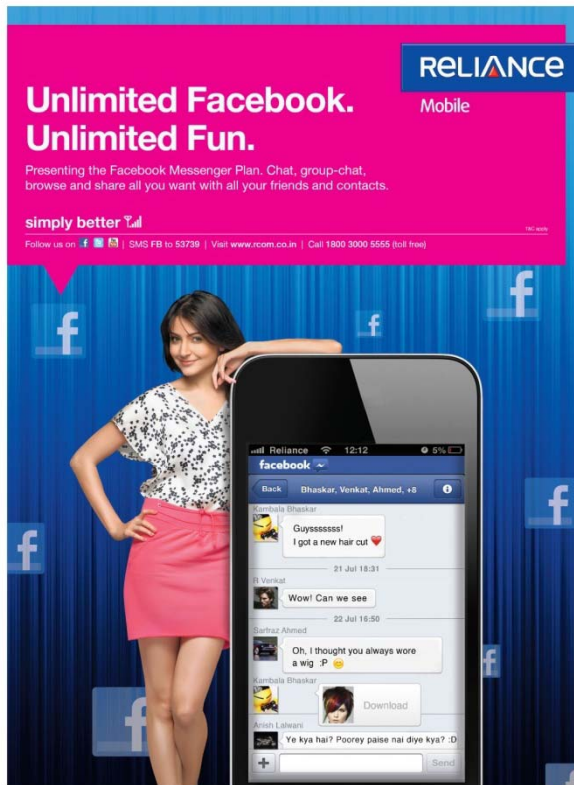
3G Mobile - Thrust on Social Networking

Unlimited Facebook. Unlimited Fun.

Presenting the Facebook Messenger Plan. Chat, group-chat, browse and share all you want with all your friends and contacts.

simply better

Follow us on [f](#) [t](#) [g+](#) | SMS FB to 53739 | Visit [www.rcom.co.in](#) | Call 1800 3000 5555 (toll free)



Now enjoy unlimited access to Twitter with no data charges for 3 months.

Follow news, sports and entertainment. Take part in conversations with friends. Tweet your mind only on Reliance Mobile.

SMS <ACT Twitter> to 53739 (toll free)

simply better

Follow us on [f](#) [t](#) [g+](#) | Visit [www.rcom.co.in](#) | Call 1800 100 3333 (toll free)




Unlimited chatting, posting, sharing, tagging, LOLing and more.

Enjoy unlimited WhatsApp and Facebook on your phone, at just ₹16 per month. To activate, SMS ACT FB or ACT WA and send it to 53739.

simply better

Follow us on [f](#) [t](#) [g+](#) | Visit [www.rcom.co.in](#) | Call 1800 100 3333



Build traction of data usage through social media sites

Strengths of Wireless Business

1

Widest Coverage and Product Portfolio

2

Data Leadership (3G, High Speed Data & 1x)

3

Youth & Innovation Centric Brand



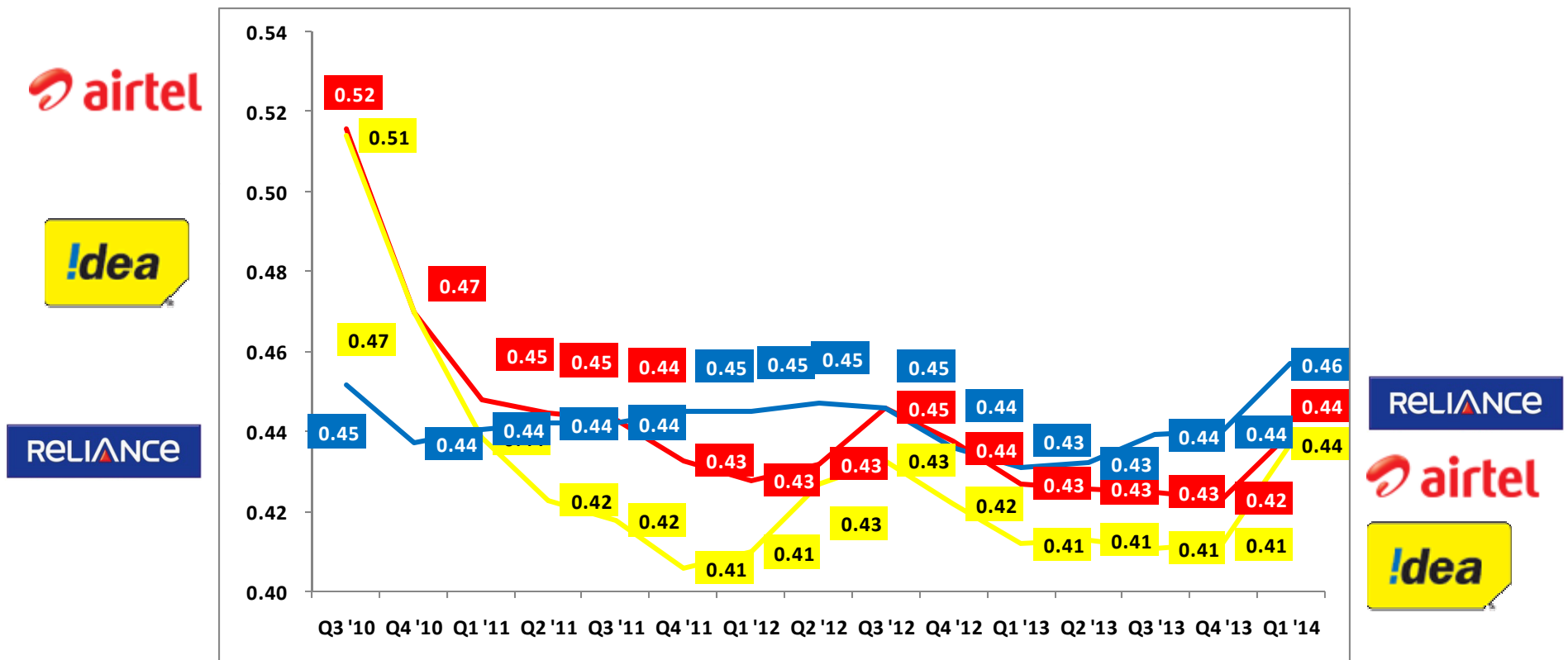
4

Focus on Quality of Minutes

All this with only 6 years in industry, vs. 15+ years for competition

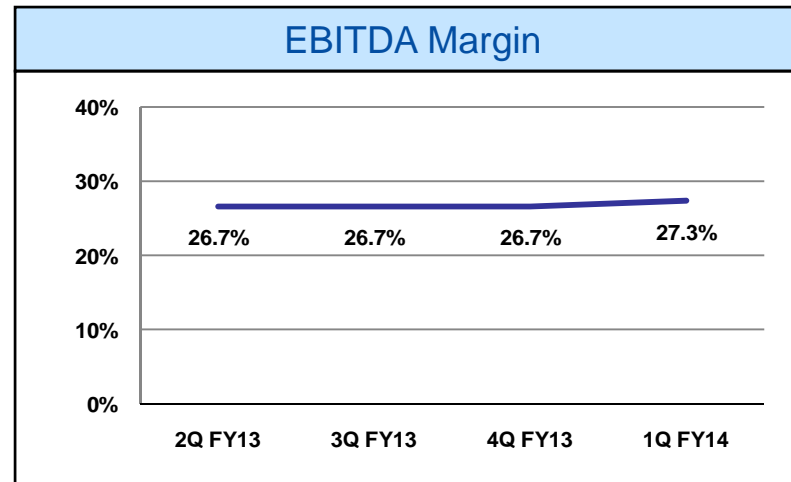
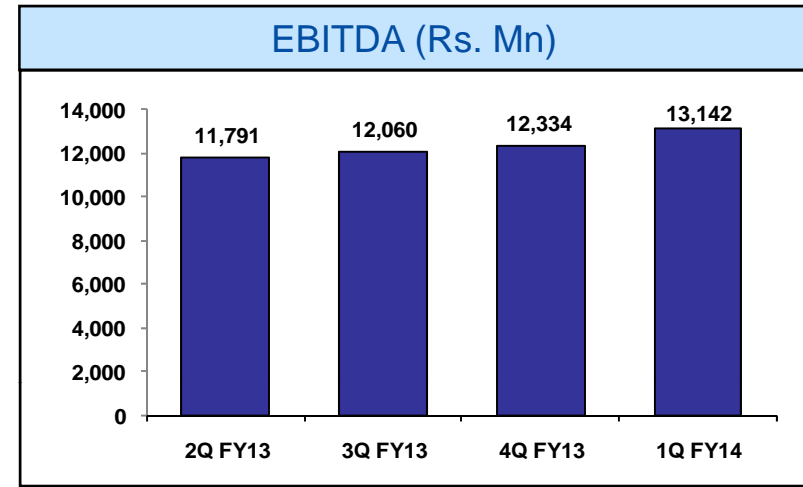
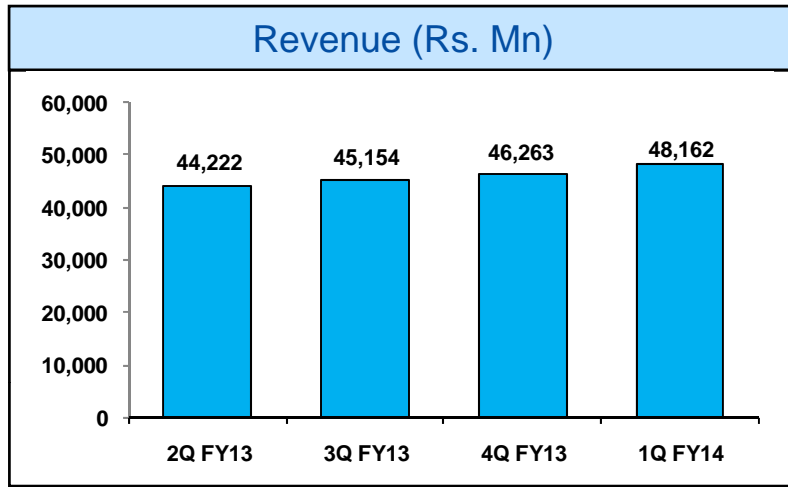
Quality of Minutes

Rate Per Minute (RPM)



RCOM continues to maintain stable & healthy RPM for the last 12 quarters despite intense pricing pressure

Financial Performance



Revenue growth with stable margins in hyper-competitive environment

Contents

- ❑ Reliance Communications – an integrated telco
 - Wireless
 - Global Enterprise
- ❑ New Opportunities for monetising the assets
- ❑ Key takeaways

Overview



Scalable and proven infrastructure and capabilities are in place.
Target is to scale up the business

Carrier business: Global connectivity & assets

- ❑ Own 277,000 RKms of optic fiber cable with landing points in 30 countries & world's largest private undersea cable system spanning 65,000 Kilometers
- ❑ Manage over 60,000 customer sites in 163 countries through 700 carrier partners
- ❑ This cable system is seamlessly integrated with 1,90,000 kilometer of fiber optic in India connecting 600,000 villages & 24,000 towns to key business markets in India, USA, Europe, Middle East, and APAC regions
- ❑ Over 1000 direct interconnects with 450+ top networks

Global Network



Long Distance Network in India



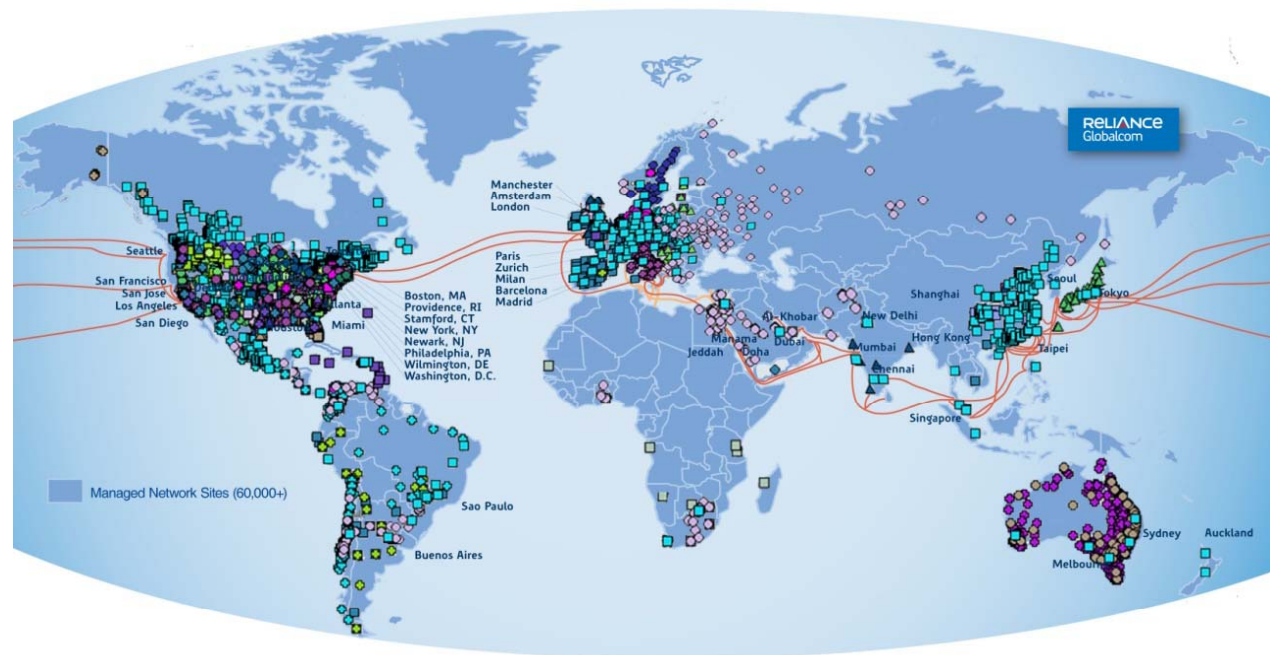
Network connecting over 85% of the world's population

Enterprise business : Enterprise Managed Network

Global Connectivity

- ❑ 60,000+ managed sites with reach in 160 countries and territories
- ❑ Metro Ethernet connectivity across 26 Metros outside India
- ❑ High Capacity Access Network customized to meet Customer Demand

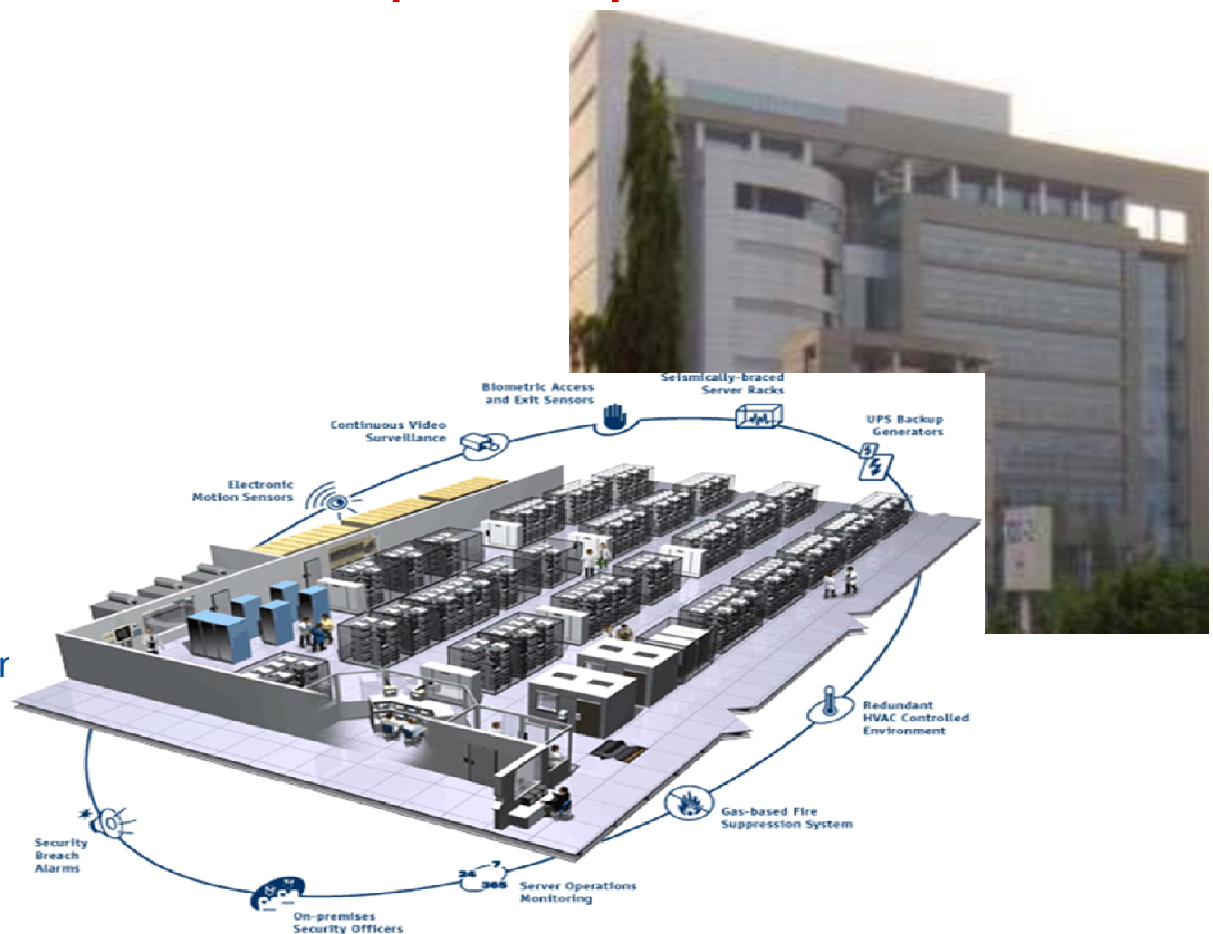
Global Network



Unparalleled global reach and depth of network

Enterprise business : Biggest Data center player in India with more than 550,000 sq ft of space

- ❑ 18 (9 India; 9 Outside India)
Data centers across the globe with more than 550,000 sq ft of facilities space
- ❑ Geographic redundancy
- ❑ Wide & complex application hosted
 - Core Banking, ATM/ Internet Banking
 - Complex ERP/ SAP Application
 - Complex Intranet/ Customized Apps.
 - Large Messaging Applications



Expanding capacity to cater to fast growing demand

Consumer business : Calling services to 160+ countries across the globe

Global Reach

- ❑ Retail services in 14 countries including U.S, Canada, U.K., Australia, New Zealand, Hong Kong, Singapore, France, Canada, Spain, Belgium, Netherlands, Austria and India

Leadership Position

- ❑ Over 2.5 million customers for Reliance Global Call service.
- ❑ Usage of Reliance Global Call accounts for 40% of total retail market calls from the United States to India.

Innovative Product Suite

The image displays two screenshots of Reliance's consumer services websites. The top screenshot is the 'RELIANCE iCall' website, which features a login section with fields for 'USERNAME' and 'PASSWORD', and buttons for 'Login' and 'Recharge'. It also lists services like '1 cent/min PC to Phone calls to 20 countries' and 'Call @ 1 cent/min'. The bottom screenshot is the 'RELIANCE Global Call' website, which highlights 'Call over 200 countries' and 'Unmatched Voice Clarity'. It includes a 'Refer a friend' section, a 'Conferencing' section, and a 'New Call Rates' table showing rates for USA (2.49 Rs/min) and Australia (7.99 Rs/min). The website also features a 'Customer Speak' section and a 'Book My Conference' section.

Global presence and strong customer base

- Over 2,100 enterprise and 2.5 million retail customer base outside India

Carrier

- Over 200 carrier customers based on strong long term relationships with over 70% repeat orders;
- Particularly strong in Asia, the Middle East and India



Enterprise

- Among Top 5 Managed Network Service providers with over 200 global corporate customers
- Among Top 6 Global Ethernet Service providers with over 1,200 customers in US alone;
- # 1 or # 2 service provider to world's top exchanges including CME, NYSE, NASDAQ.
- Serve 850 of top 1000 enterprises in India

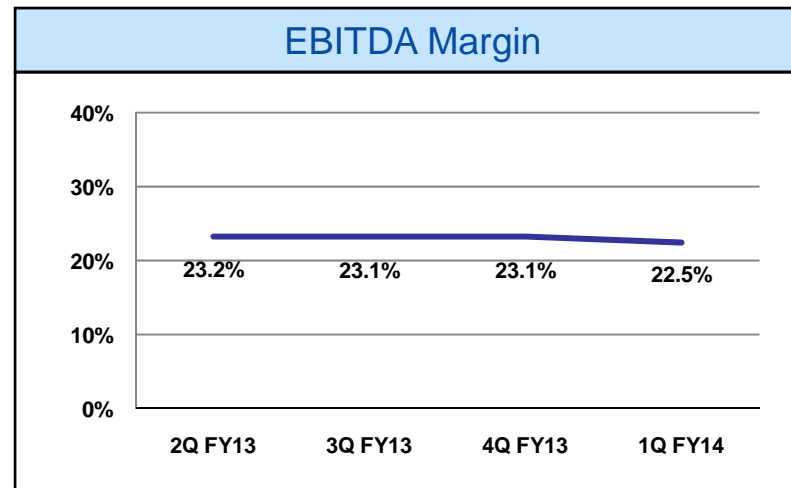
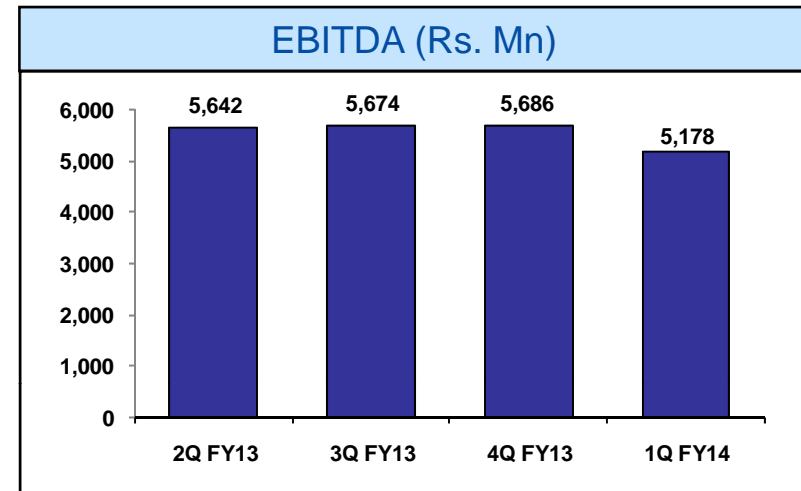
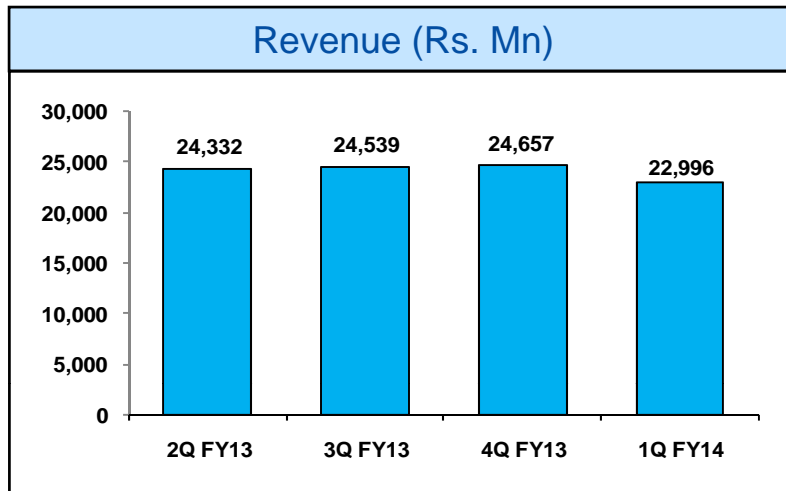


Consumer

- Over 2.5 million retail customers in 14 countries including U.S., Canada, U.K., Australia, New Zealand, Hong Kong, Singapore, France, Canada, Spain, Belgium, Netherlands, Austria and India
- 1.25 million broadband customers in India



Financial Performance



From 1Q FY'12 onwards, RCOM is reporting combined Global and Enterprise business units as a single operating business unit.

Synergies to improve operational efficiencies

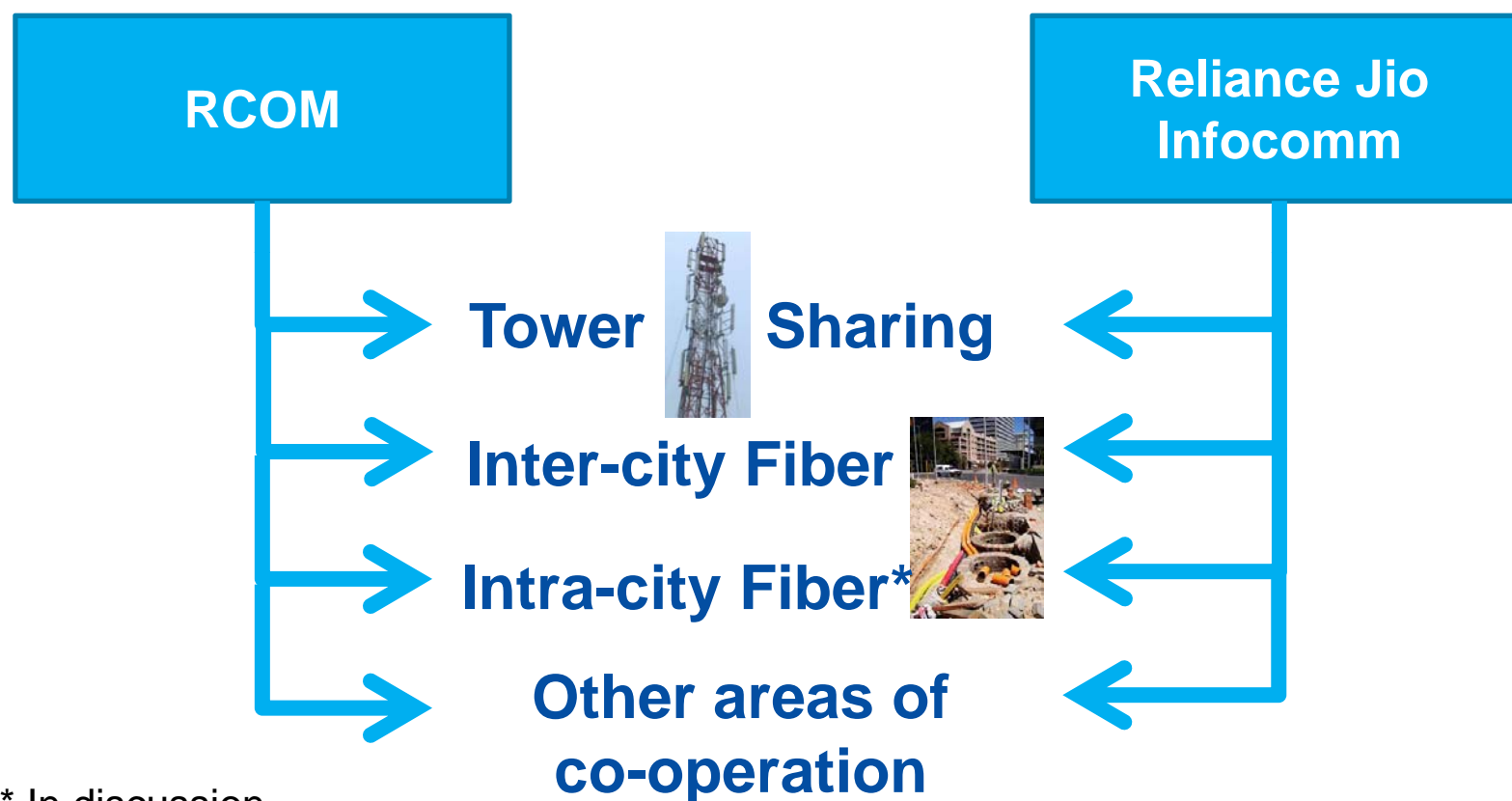
Contents

- ❑ Reliance Communications – an integrated telco
 - Wireless
 - Global Enterprise

New Opportunities for monetising the assets

- ❑ Key takeaways

RCOM & Reliance Jio committed for a comprehensive framework of business co-operation



* In discussion

RCOM continue to sweat the assets and unlock value for the shareholders

Asset utilisation: Tower sharing agreement

- ❑ Nation-wide tower infrastructure sharing agreement with Reliance Jio Infocomm
- ❑ 45,000 tower (Ground based + Rooftop) to be shared
- ❑ Aggregate value of Rs. 12,000 Cr. during the tenure of agreement
- ❑ RCOM to have reciprocal access to tower infrastructure to be built by Reliance Jio.



New initiative to be EBIDTA accretive & help further generate free cash

Asset utilisation: Inter-city fiber sharing agreement

- ❑ RCOM's 120,000 Kms. of Inter-city fiber optic network to be utilised by Reliance Jio Infocomm
- ❑ Deal value of approx. Rs. 1,200 crore as one time indefeasible right to use (IRU) fees
- ❑ RCOM to have reciprocal access to optic fiber to be built by Reliance Jio.



New initiative to sweat the assets to generate additional cash flows

Unlocking value: De-merger of Real Estate

- ❑ In-principal approval on a demerger of the Real Estate held by RCOM into a separate unit
- ❑ Reliance Properties Ltd. will be a separate listed Company
- ❑ All shareholders of RCOM will receive fully tradable pro-rata shareholding, free of cost in Reliance Properties Ltd.
- ❑ The preliminary and indicative monetisable value on development is estimated at over Rs. 12,000 crore, which is equal to Rs. 60 per RCOM share.



Unlock substantial value for the benefit of ~2 Mn. shareholders

Contents

- ❑ Reliance Communications – an integrated telco
 - Wireless
 - Global Enterprise
- ❑ New Opportunities for monetising the assets

Key takeaways

Drivers for future growth and shareholder value

Drivers

- ❑ Peak investment phase over: RCOM continues to be free cash flow positive. This trend to continue in succeeding years
- ❑ Financials at inflection point as GSM and 3G momentum scales up
- ❑ Besides wireless, massive opportunity exists in expansion of Enterprise / IDC and newer segments
- ❑ Potential for unlocking shareholder value at subsidiary level (Infratel, Global Enterprise, etc.)

Impact

Increase revenue generating ability

Operational leverage improves margin & profitability

Potential of unlocking shareholders value

Stable business performance with significant free cash flow generation to place RCOM in a much stronger financial position

RELIANCE

Thank you

RELIANCE