



Investors' Presentation

October 2016





 Leading integrated telecommunications operator in India with presence across wireless, enterprise, broadband, passive infrastructure, and DTH



 Leading global data communications business under GCX, with sub-sea cable network of 68,698 km

 Pan-India operator with long dated spectrum offering voice and data across 4G /3G/2G services

 Integrated nationwide network with c.43k towers, ~190k Km optical fibre network and 1.1m sq ft data centre space

 ~100m total wireless subscribers including 39m data subscribers of which >25m are 3G/4G subscribers

CDMA Upgradation to 4G LTE completed

Pan India 4G LTE Services at Minimal Capex & Opex

Consolidation of Wireless Business with SSTL and Aircel

Deleveraging Strategy

Cutting-edge Cloud Capabilities

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RELIANCE

- ❑ Indian Telecom Scenario
- ❑ RCOM – 4G LTE Growth Strategy
- ❑ SSTL Merger
- ❑ Aircel Merger
- ❑ Deleveraging
- ❑ Financial Information

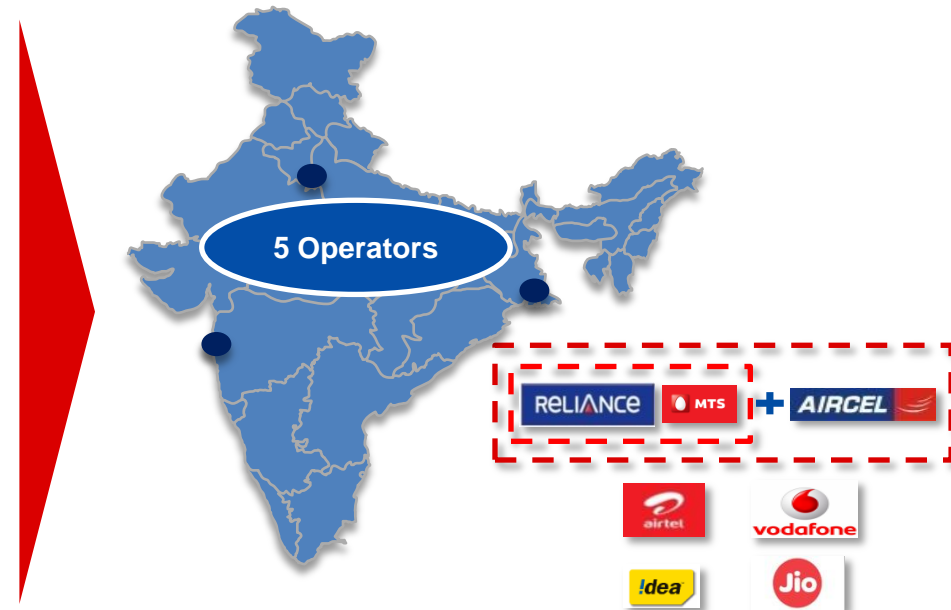
Reduced Competition with sector consolidating...

Competitive landscape Earlier



Over capacity led to low tariffs, making business unviable

Competitive Landscape Now

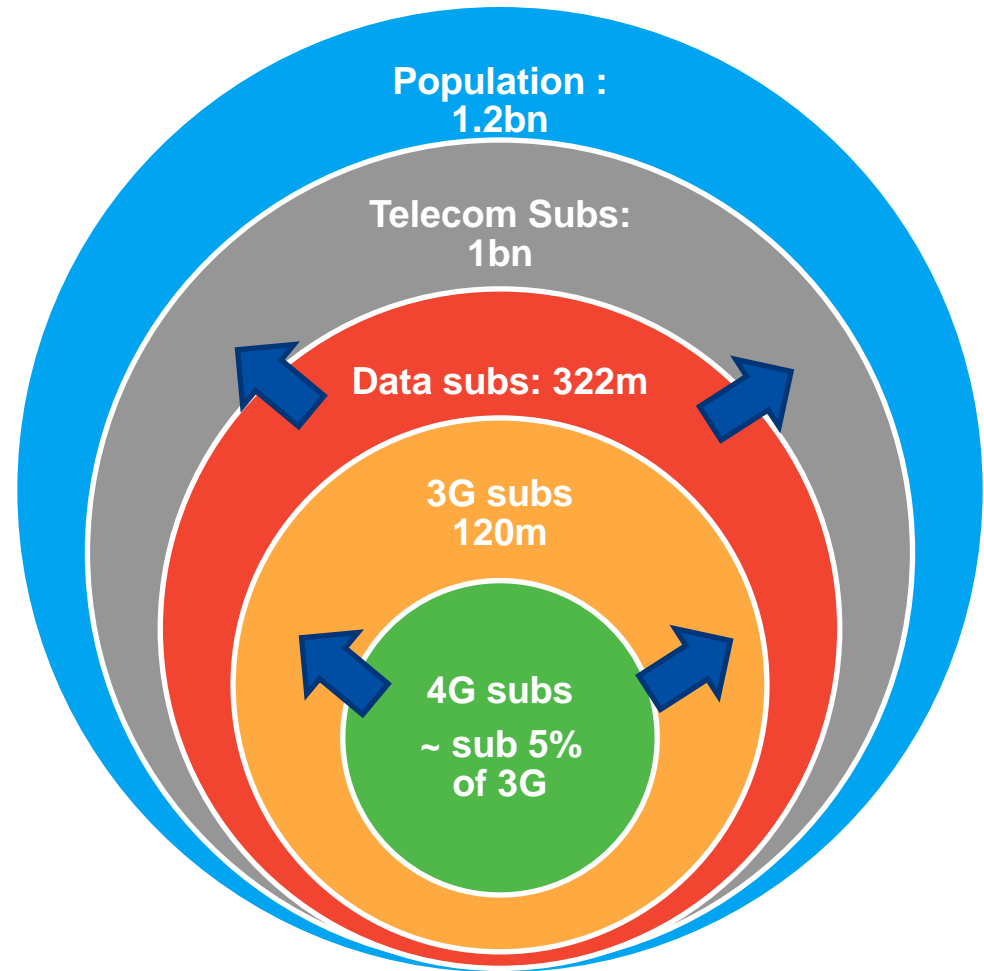


- ❑ Top 5 operators account for ~85% of the revenue market share
- ❑ Regional operators have rolled back operations in select circles or even exited

...Among 5 Pan-India Private Players

India data subs - a very large opportunity

- ❑ Wireless remains the primary means of data access in India
- ❑ Negligible wire line broadband infrastructure in the country
- ❑ Only 14% of total wireless subscribers are broadband internet users
- ❑ Next generation of subscribers will demand faster 3G/4G services



Source: TRAI

....to Result in Exponential Increase in Data Volumes.

Factors for Higher Adoption of 4G

1. Cost of Entry: Device ASP at launch

- 3G : \$ 225
- 4G : \$ 45

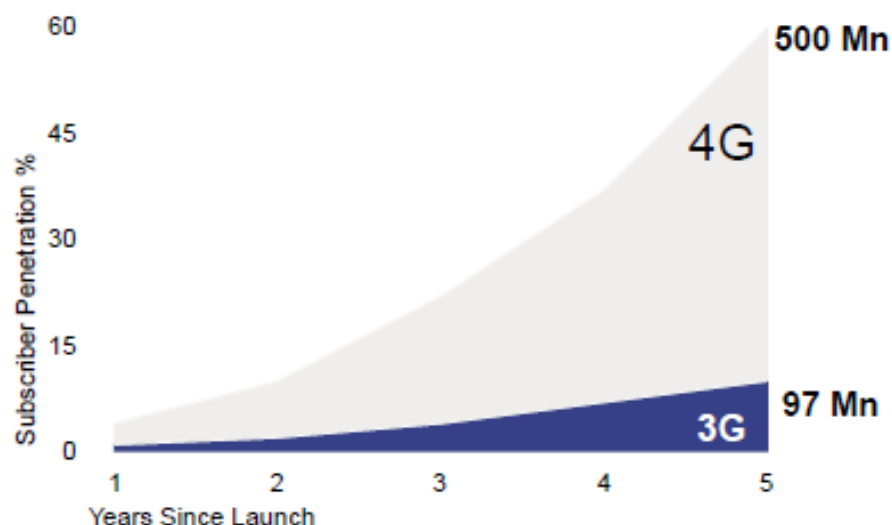
2. Network

- **3G** : 10% population coverage with poor indoor coverage
 - Average speeds of 2 ~ 3 Mbps due to poor backhaul
- **4G** : ~80% population coverage with best indoor coverage
 - Average speed of 15 ~ 20 Mbps with most sites fiberised

3. Tariff / Affordability

- **3G** : 2x of 2G data pricing and 1.4X of ARPU
- **4G** : lower than 2G

Subscriber Penetration Since Year of Launch



Source: Industry estimates

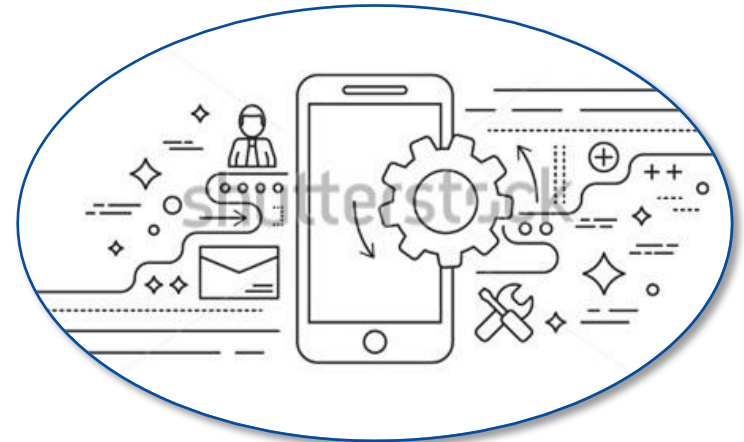
Faster growth in 4G adoption and data volumes will compensate the falling tariffs



Digital Lifestyle



Content and Services



Technology



1

**Right Spectrum
For Indoor Coverage**



2

**Ubiquitous &
State-of-the-Art Network**



3


**Serving The Internet
Generation**

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	RELIANCE		Incumbent 1	Incumbent 2	Incumbent 3
800Mhz	✓	✓			
1800Mhz	✓	✓	✓	✓	✓
2300Mhz	✓	✓	✓		

800Mhz Spectrum with one of the Largest 4G network in the country & one of the largest globally

RCOM's Distinct Advantage – 800Mhz Spectrum + Network Coverage

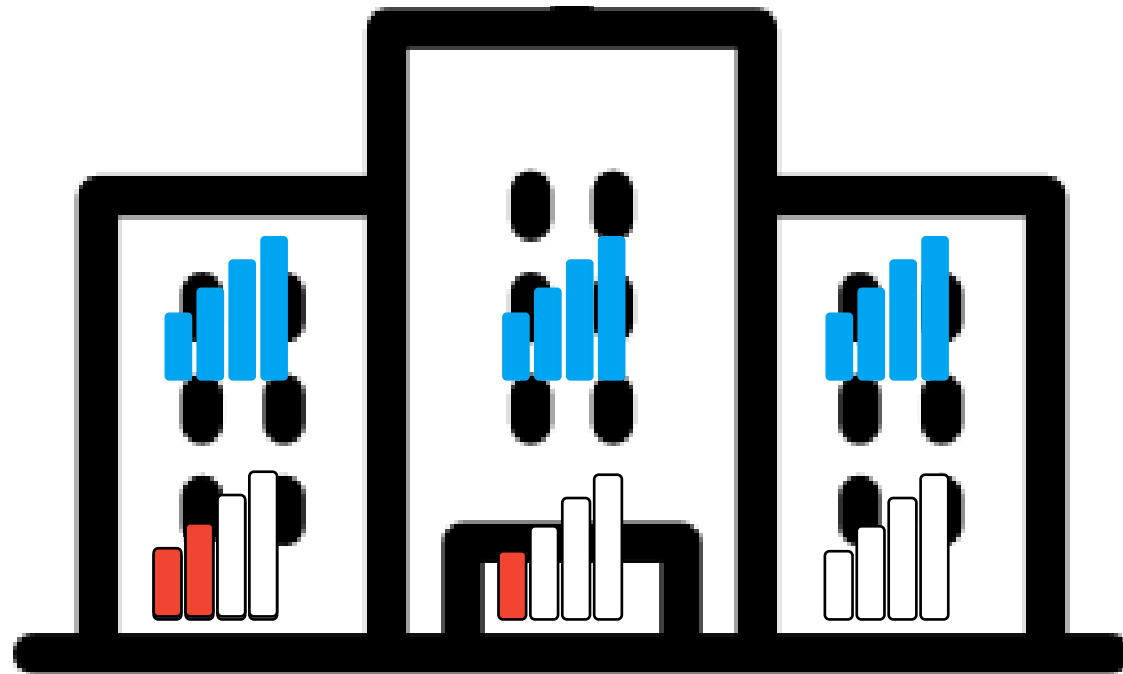
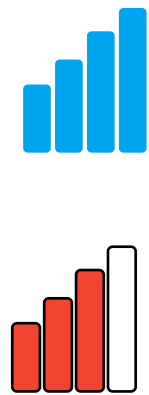
Can penetrate deep indoors where over 75% of data consumption happens

800/850 band is to 4G era, what 900 band was for 2G era



RCOM

Others



800/850 MHz Holding					
Cat	Circles	RCOM *	R Jio	SSTL	Combined
M	Delhi	5.00		3.75	8.75
M	Mumbai	6.25	5.00		11.25
M	Kolkata	5.00		3.75	8.75
A	Andhra Pradesh	5.00			5.00
A	Gujarat	6.25		3.75	10.00
A	Karnataka	5.00		3.75	8.75
A	Maharashtra	5.00			5.00
A	Tamil Nadu	5.00		3.75	8.75
B	Haryana	5.00	5.00		10.00
B	Kerala	5.00		3.75	8.75
B	Madhya Pradesh	5.00	5.00		10.00
B	Punjab	6.25			6.25
B	Rajasthan	3.75			3.75
B	UP (East)	5.00	3.75		8.75
B	UP (West)	6.25		3.75	10.00
B	West Bengal	5.00		3.75	8.75
C	Assam	5.00	5.00		10.00
C	Bihar	5.00	5.00		10.00
C	Himachal Pradesh	5.00	5.00		10.00
C	Jammu & Kashmir	5.00	5.00		10.00
C	North East	5.00	5.00		10.00
C	Orissa	5.00	5.00		10.00
	Total	113.75	48.75	30.00	192.50

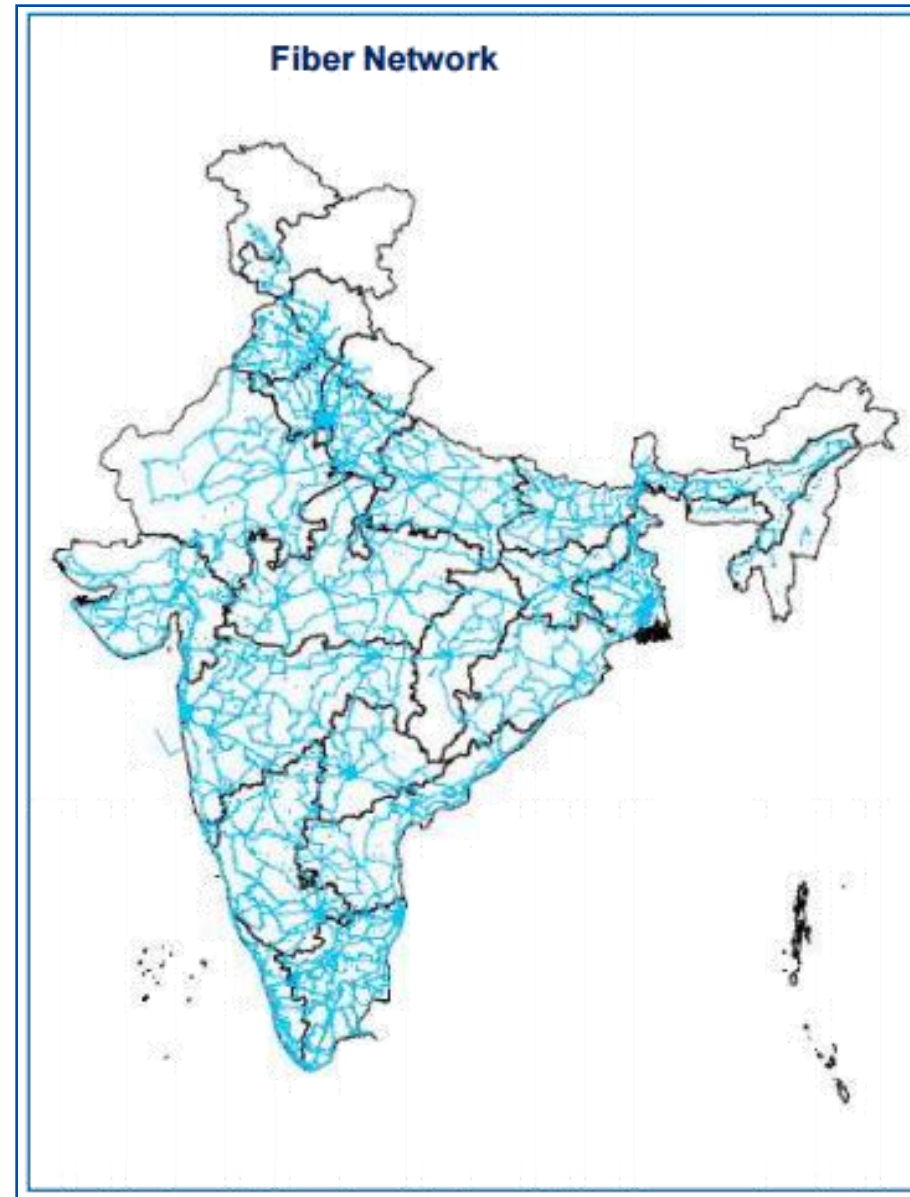
- ❑ Nationwide Spectrum Sharing Arrangement Completed
- ❑ Amount of ~\$ 1 Bn has been paid to DoT for liberalization of RCOM's 800/850MHz holdings.
- ❑ Ample spectrum in 18 circles -
 >=10MHz in 11 circles and
 8.75MHz in 7 circles

Distinct sub-1 GHz Advantage

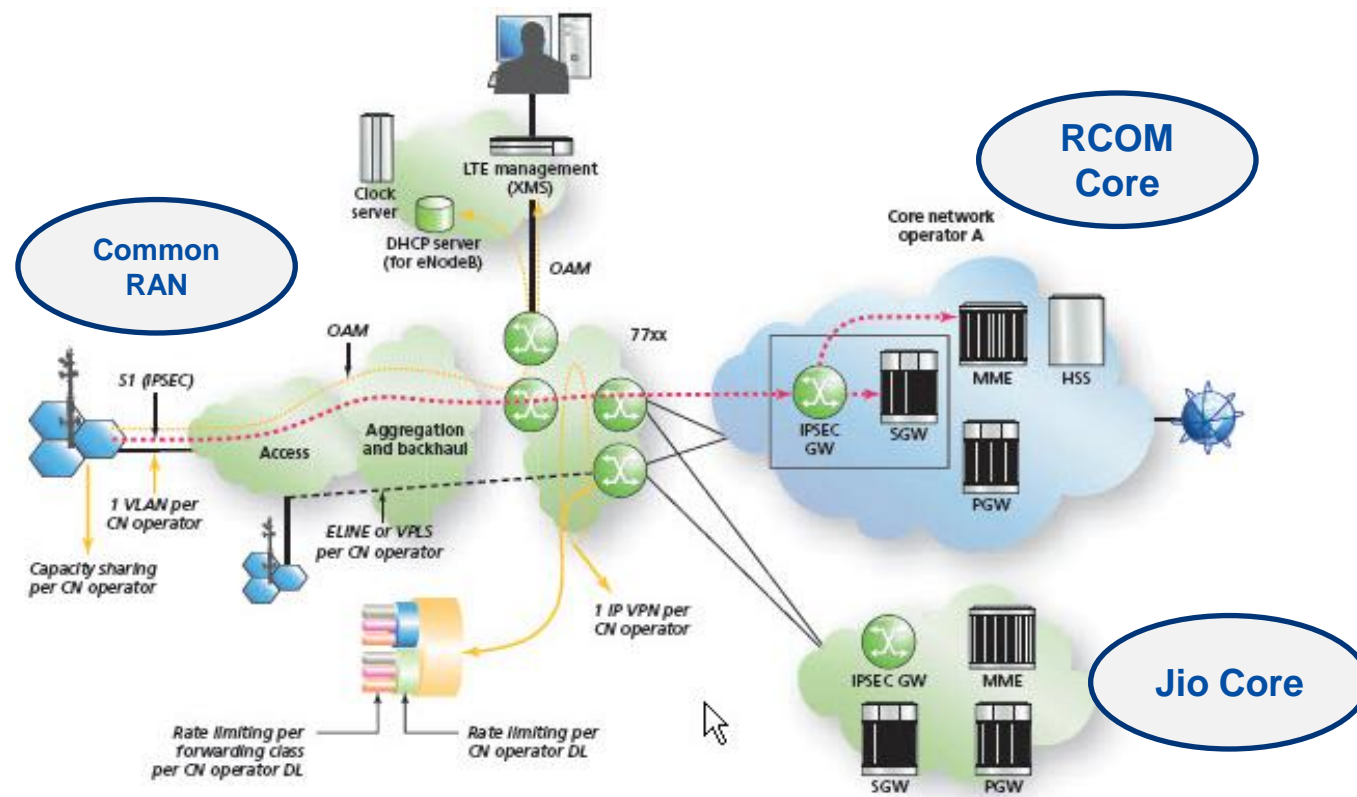
- ❑ One of the largest network globally, at launch, with pop coverage ~80%
 - ~18,000 cities and
 - ~2,00,000 villages

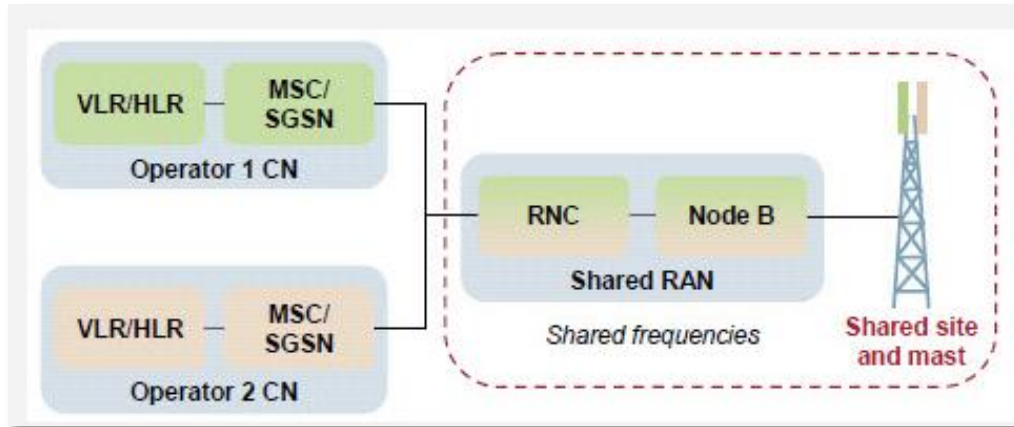
- ❑ Network with Macro cells and Small cells, and IBS backed by fiber network over 250,000 Kms

Strong Backhaul Capacity



- ❑ Latest network technology - Multi Operator Core Network
- ❑ Tremendous capex savings for RCOM
- ❑ ICR arrangements to access 1800 MHz and 2300MHz bands





Single MIMO can work across frequency bands



- ❑ **Superior RAN network** using EnodeB which provides **superior spectrum efficiency** capacity and peak data rates with extremely low latency
- ❑ Allows both operators to combine their spectrum and improve the carrying capacity thereby providing better quality of service to consumers
- ❑ MIMO antennae can support multiple frequencies and provide better throughput utilising lower power consumption – **brings down the cost per MB of service**

Latest Technology Offers Superior Spectrum Efficiency With Low Cost of Service



Voice + Data + VAS plan ❌

✓ Single Recharge

Only connectivity plans ❌

✓ Content + Connectivity

Physical channels ❌

✓ Electronic and Online

Paper based forms ❌

✓ e-KYC

Call centers ❌

✓ Instant multi-channel support

- ❑ RCOM to offer content services as the market moves from “dumb data” to more “smart data based plans”


From today's 'Dumb Pipe' based Data Plans

GBs



GBs


+




movies



music



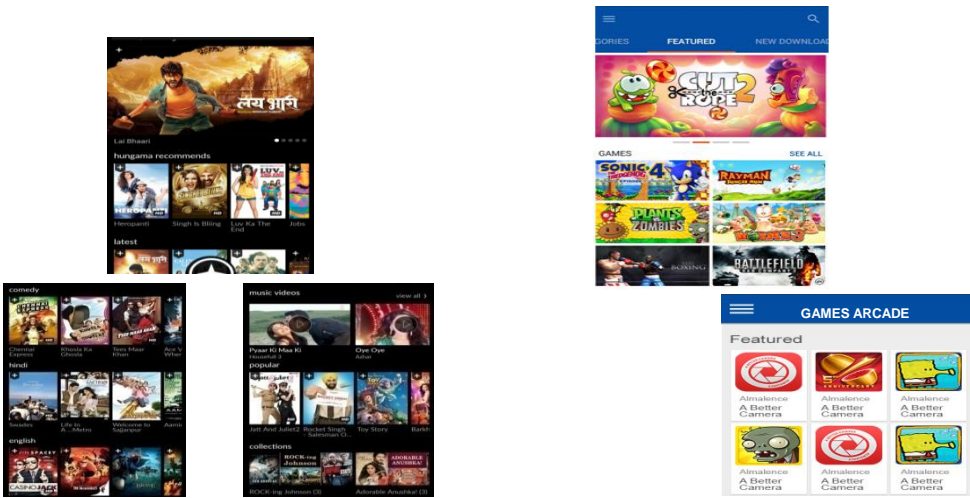
games



mobile TV

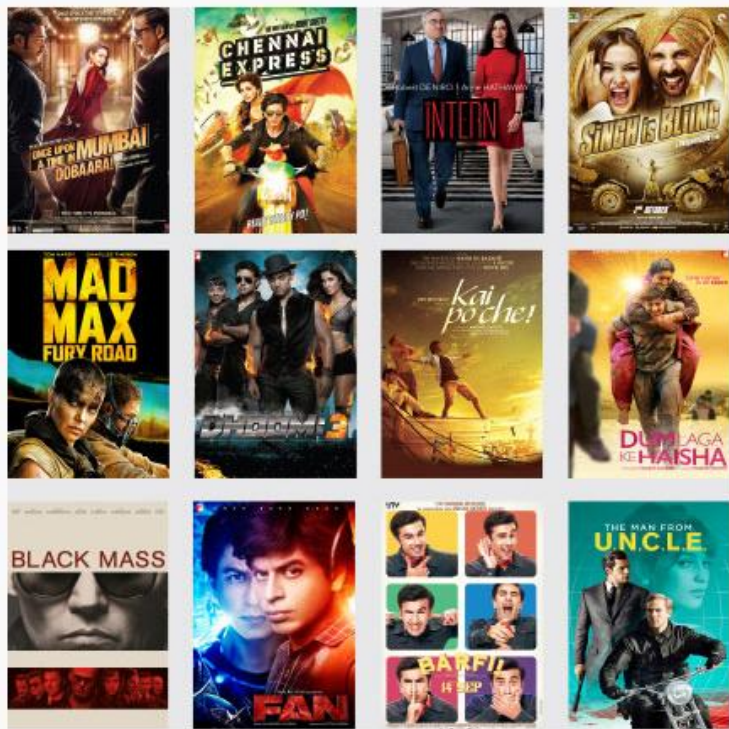
'Smart Pipe' based Data Plans

- ❑ RCOM offers a wide range of content - movies , music, games and mobile TV



Dumb Data to Smart Data

RELIANCE

MOVINET
PlanA DATA PLAN THAT BRINGS
MULTIPLEX ON YOUR MOBILE.

- ❑ Movies and Music are the key drivers in digital content consumption
- ❑ Content-driven Data Strategy
- ❑ Zero Subscription access to 8000 Movies + 50000 Music Videos + 35 Lac Sound Tracks
- ❑ The product is available for both Prepaid & Postpaid subscribers

Content-driven Data Strategy

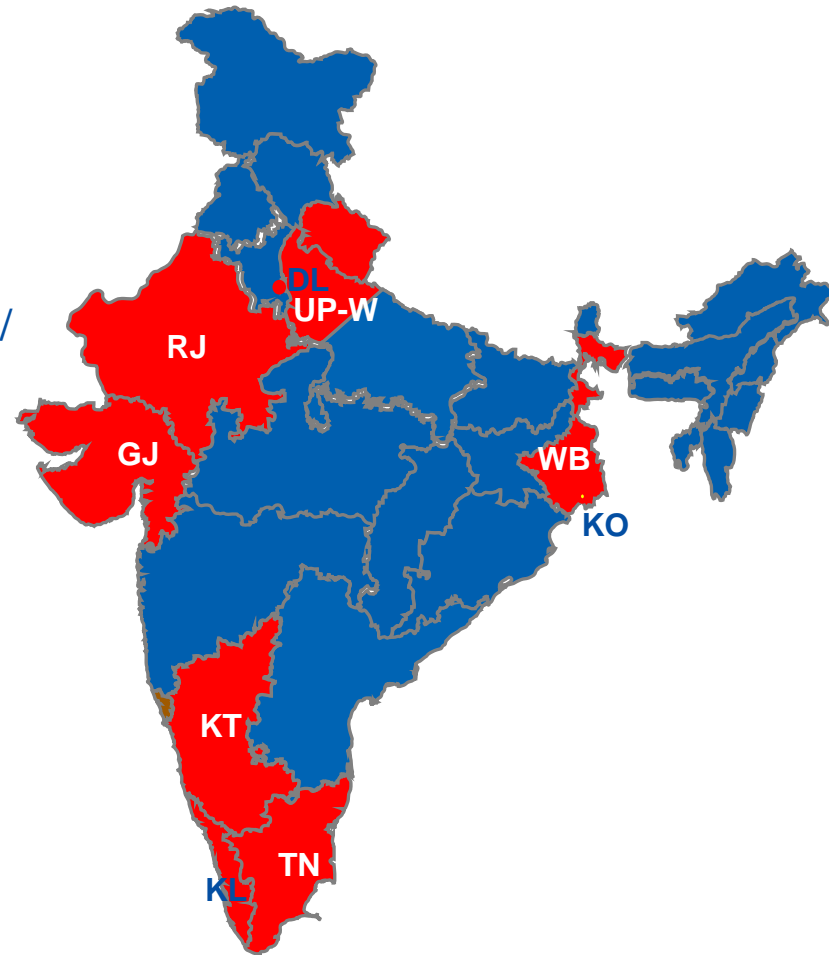
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- ❑ RCOM to acquire ~8 mn customers including ~2 mn data customers and revenues of ~Rs 1500 crore (\$230m) annually
- ❑ RCOM to acquire most valuable and superior 800 / 850 MHz band
- ❑ RCOM to extend validity of 800 / 850 MHz band spectrum in 8 circles
- ❑ Consideration to be paid in RCOM stock and deferred spectrum liabilities payable to DoT



SSTL Coverage Circles

RCOM announced first consolidation in Indian telecom sector

- ☐ The Members of the Company have duly approved the Scheme
- ☐ SSTL shareholders have approved
- ☐ CCI (Competition Commission of India) approval received
- ☐ Stock Exchanges Scheme approval Received
- ☐ Rajasthan & Mumbai High Court approvals received
- ☐ Awaiting final DoT approvals

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- ❑ Wireless business of RCOM to be combined with Aircel Ltd. through court approved process of demerger
- ❑ RCOM and Maxis Communications Berhad (MCB) to hold 50% each in 'MergedCo' with equal representation on board and committees
- ❑ MergedCo to clearly rank amongst top 4 operators in India on customer base and revenues
- ❑ MergedCo to rank amongst top 3 operators by revenues in 12 important circles
- ❑ 2nd largest spectrum portfolio amongst all operators in India across the 800/850, 900, 1800 and 2100 MHz bands, with 2G, 3G & 4G operations across the country

- ❑ Transaction will reduce RCOM debt by Rs 20,000 crore (US\$3 bn) or over 40% of total debt
- ❑ MergedCo to rank among top corporates in India with assets of Rs 65,000 crore (US\$9.7 bn) and net worth of Rs 35,000 crore (US\$5.2 bn)
- ❑ NPV of capex and opex synergies estimated at ~ Rs 20,000 crore (US\$3 bn)
- ❑ RCOM will continue to own and operate its other high growth businesses;
 - Domestic and Global Enterprise business,
 - Data Centers,
 - Optic Fibre and Related Telecom Infrastructure, and
 - the Valuable Real Estate

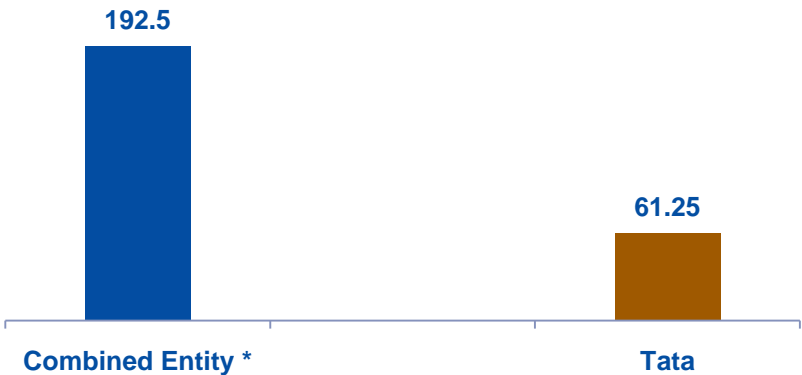
Combined Circle Rank	No. of Circles	Name of Circles	Combined RMS* (%)
2 nd	5	Assam, Himachal Pradesh, Jammu & Kashmir, North East & Tamil Nadu	25%
3 rd	7	Delhi, Kolkata, Mumbai, Madhya Pradesh, Orissa, Rajasthan, West Bengal	14%
4 th and beyond	10	AP, Bihar, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab, UP East, UP West	6%
All India 4th Rank	22		12%

RMS – Revenue Market Share

* TRAI data for QE March 2016

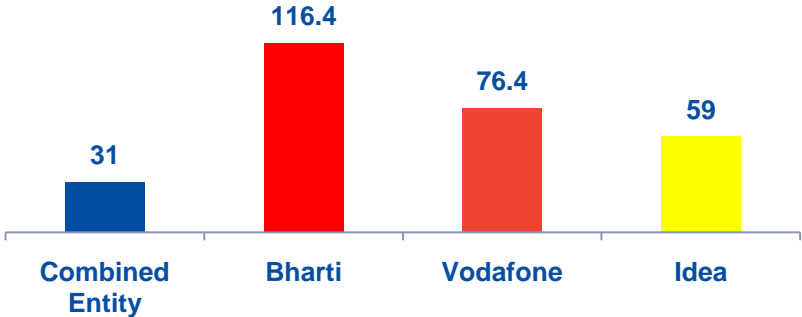
RMS at ~12%, 4th Largest in the Industry

800/850 MHz Spectrum Holding (MHz)

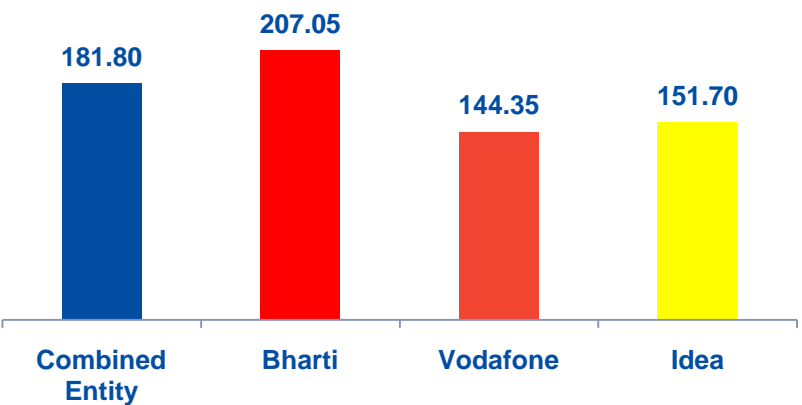


* Combined Entity holding including shared spectrum with Jio

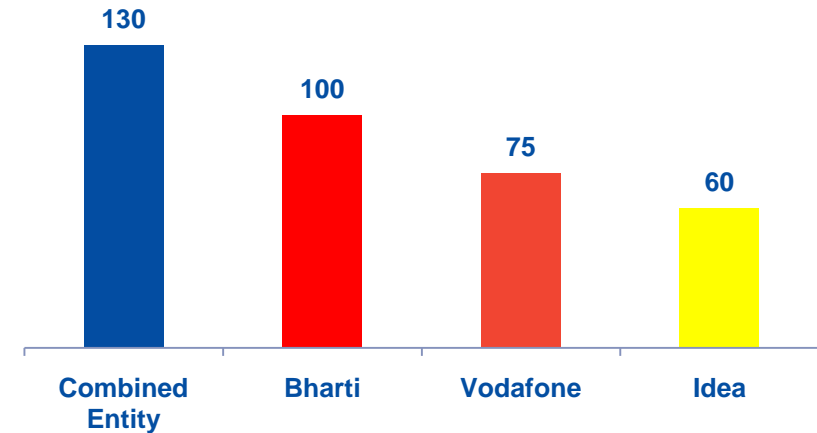
900 MHz Spectrum Holding (MHz)



1800 MHz Spectrum Holding (MHz)



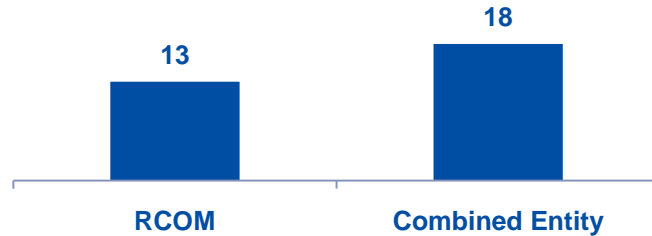
2100 MHz Spectrum Holding (MHz)



Significant Spectrum Strength – 2nd Largest Holdings

3G – in 18 circles

2100 MHz 3G Spectrum (No. of Circles)



- ❑ 10 MHz spectrum in 8 Circles

4G – Pan-India capability

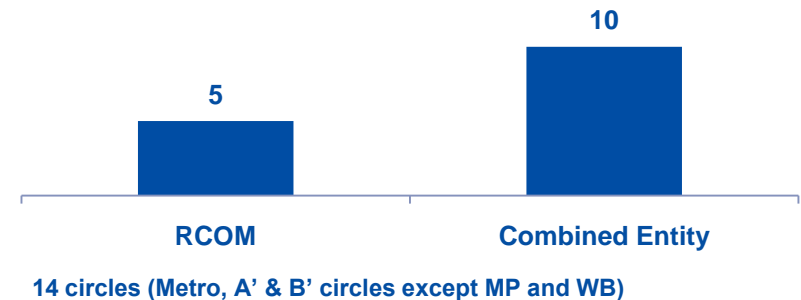
- ❑ Pan India 4G capable spectrum in 800/850 MHz band
- ❑ All Metros, A and B Circles have 5 MHz+ Spectrum in 1800 MHz band for possible 4G rollout in 1800 MHz band
- ❑ 4G arrangements with Jio to continue

2G – Pan India & Better Coverage

- ❑ Combined network would improve nationwide coverage
- ❑ The merger will help in filling RCOM's GSM spectrum coverage gap in West Bengal, Bihar, and Assam.

RCOM's 1800MHz spectrum renewal pushed to CY26

Residual Spectrum Life in 14 Circles in 1800 MHz Band (Years)



Unique Spectrum Capability across bands for Pan India Wireless Broadband play

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Attractive Industry Dynamics



- 1 Data to fuel telecom / tower sector growth
- 2 Increasing focus on quality of service
- 3 Traffic offloading to micro sites
- 4 New roll-outs on 2100/2300/2500 MHz bands by telecom operators
- 5 New BTS technology to create headroom for additional tenancies

Proceeds to be Used for Deleveraging

Key Highlights



Reliance Tower Assets

- 1 Largest standalone tower portfolio in India with a single controlling shareholder
- 2 Best positioned passive infrastructure player
- 3 GBT Heavy Tower Portfolio – Higher Tenancies and Better Range
- 4 High quality cell sites built to support tenancies upto 4x and beyond
- 5 Best suited to attract data led tenancies
- 6 Established anchor tenants
- 7 De-risked model with long term business visibility
- 8 Successful track record of increasing 3rd party tenancies
- 10 Experienced management team

Sale of Tower Business at an Advanced Stage

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India Business performance (\$ Mn)

Particulars	Qtr ended	Qtr ended	Y-on-Y Growth (%) INR based
	30-06-15	30-06-16	
Gross Revenue	756.0	695.0	-2.5%
Net Revenue	611.7	551.0	-4.4%
EBITDA	268.4	200.4	-20.8%
EBIT	133.2	99.5	-20.8%
EBITDA margin %	35.5%	28.8%	
EBIT margin %	17.6%	14.3%	

Q1 FY17: Gross Revenue breakdown

- ❑ Voice : 65%
- ❑ Non Voice : 31%
- ❑ Others : 4%

Note: "Net revenue" represents gross segment revenue less license fees and access charges.

Global Business performance (\$ Mn)

Particulars	Qtr ended	Qtr ended	Y-on-Y Growth (%) INR based
	30-06-15	30-06-16	
Gross Revenue	176.8	175.4	5.3%
EBITDA	29.5	30.6	10.0%
EBIT	-17.6	8.7	-
EBITDA margin %	16.7%	17.5%	
EBIT margin %	-	5.0%	

Q1 FY17: Gross Revenue breakdown

- ❑ Data : 59%
- ❑ Voice : 41%

RELIANCE

Thank You

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