

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS
FOR THE QUARTER (Q2) ENDED SEPTEMBER 30, 2012**

Q2 REVENUE AT RS. 5,202 CRORE, UP 3.2% Y-O-Y

Q2 EBITDA AT RS. 1,638 CRORE, UP 2.1% Y-O-Y

EBITDA MARGIN AT 31.5% AMONGST THE HIGHEST IN THE INDUSTRY

**Q2 WIRELESS REVENUES UP 3.9% Y-O-Y
(ON COMPARABLE BASIS)**

**Q2 WIRELESS EBITDA UP 16.4% Y-O-Y
(ON COMPARABLE BASIS)**

Q2 WIRELESS MINUTES AT 102.5 BILLION UP 3.6% Y-O-Y

**Q2 REVENUE PER MINUTE AT 43.2 PAISA, AMONGST THE HIGHEST IN THE
INDUSTRY FOR THE LAST TEN CONSECUTIVE QUARTERS**

**3G CUSTOMERS AT 4.8 MN, WHICH IS HIGHEST IN THE INDUSTRY AND OVER 26
MILLION DATA CUSTOMERS**

**TOTAL DATA USAGE AT 17,400 TB (MN MB) AND DATA USAGE PER SUB AT 232 MB,
HIGHEST IN THE INDUSTRY**

Q2 GLOBAL ENTERPRISE BUSINESS REVENUES AT RS. 2,433 CRORE, UP 4.2% Y-O-Y

Q2 GEBU EBITDA AT RS. 563 CRORE, DOWN 1.1% Y-O-Y

**GEBU EBITDA REPRESENTS 34% OF CONSOLIDATED EBITDA, MAINTAINING
STEADY PERFORMANCE**

Mumbai, November 8, 2012: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended September 30, 2012.

Highlights of the financial performance for the quarter are:

- **Revenue at Rs. 5,202 crore**, up 3.2% from Rs. 5,040 in Q2 previous year
- **EBITDA at Rs. 1,638 crore**, up 2.1% from Rs. 1,605 crore in Q2 previous year. EBITDA margin at 31.5%, amongst the highest in the industry, with strong contribution from both Wireless and GEBU businesses.
- **Net Profit at Rs. 102 crore**

▪ **KEY HIGHLIGHTS:**

1. **Consolidated Revenue & EBITDA:** RCOM Q2 total revenues at Rs. 5,202 crore, up 3.2% from Rs. 5,040 crore in Q2 previous year. Q2 EBITDA at Rs. 1,638 crore, with EBITDA margin of 31.5% amongst the highest in the industry.
2. **Wireless Revenue & EBITDA:** Q2 wireless revenue up 3.9% y-o-y on comparable basis. Q2 wireless EBITDA up 16.4% y-o-y on comparable basis.
3. **RPM:** RPM stood at healthy 43.2 paisa. We have successfully achieved RPM stability for the last 10 consecutive quarters amidst increasing competition and over supply of minutes in market place.
4. **Global Enterprise (GEBU) Revenue & EBITDA:** Q2 Revenues at Rs. 2,433 crore, up by 4.2% from Rs. 2,335 crore in Q2 previous year. Q2 EBITDA at Rs. 563 crore, down by 1.1% from Rs. 569 crore in Q2 previous year. Q2 EBITDA margin stands at 23.2%.
5. RCOM continues to be free cash flow positive. RCOM generated operational cash flow (EBITDA) of Rs. 1,638 crore in Q2. This is the second full year of positive free cash flow (FCF) for the company and this trend shall continue in succeeding years.
6. **Rise in prepaid tariff:** During the quarter, RCOM raised pre-paid tariffs by 25% across GSM and CDMA platforms. This decision is in line with our aim of maintaining a healthy RPM and improving average margin per user. We expect the full revenue impact of the tariff hike to reflect by next financial year.
7. **RCOM exclusive partnership with WhatsApp in India:** RCOM has launched first of its kind prepaid plan 'WhatsApp Plan' for all Reliance GSM subscribers who can now enjoy unlimited usage of WhatsApp and Facebook across the country at a nominal fee of Rs. 16 per month only without paying any extra data consumption charges.
8. **RCOM launches "All Share Postpaid Plan":** Recently, RCOM launched an unique post paid plan 'All Share Postpaid Plan' for all (GSM & CDMA) postpaid customers in the country. This plan is aimed to acquire high-value customers in the country and plans to target Corporate and SME customer segments along with HNI households. This unique postpaid plan offers upto 10 customers owning multiple devices within the family or group to enjoy free sharing of Voice, Data and SMS on a single bill.
9. **RCOM launched Reliance Business Services** – its existing enterprise services in India through the latest **Reliance Business Services – 'Makes It Easy'** campaign. Reliance Business Services offers a full suite of managed services across all product lines for Data, Voice and IDC services. It also continues to bring in leading edge services like Application Aware Networking, Managed security services and Cloud based services like Managed Storage Software as a Service for their existing customers. This comprehensive suite enables Reliance Business Services to be a valuable partner to all segments of enterprise business – small, medium and large.
10. **Reliance Globalcom announced upgrade of its European Network using coherent 100G technology:** The upgraded network enables Reliance Globalcom to support the

surge in high-bandwidth intensive applications that encompass cloud computing, video conferencing, business continuity/disaster recovery, data center connectivity, and storage area networking, in addition to ever increasing Internet traffic. It also enables Reliance Globalcom to offer more flexibility and improved performance to its customers. The new 100G technology enables Reliance Globalcom to send up to 2.5 times more data over its existing fiber network with 40G technology, reducing the overall cost per Terabit on its network.

11. Reliance Globalcom announced availability of 10G LAN services across its network globally, a dedicated Ethernet point-to-point service, as a standard service offering across all the major destinations on its global network. The recent upgrades across various segments of its global network have enabled Reliance Globalcom to provide more cost effective 10 Gig Ethernet based solutions with improved manageability. These services are now available across 19 global cities on Reliance Globalcom system that will enable its wholesale customers to interconnect their Internet routers with less expensive 10G Ethernet interface, thereby reducing the costs on Internet services.

12. Recent Rewards & Recognition:

- **September 2012:** RCOM won UBM's (a leading global business media company) Annual EDGE Award 2012 third time in a row. RCOM's Open Source initiative was recognized under "Best Project" category.
- **August 2012:** RCOM has been conferred the Best Quality of Service Award for the second time in a row at the prestigious Economic Times Telecom Awards 2012.
- **August 2012:** RCOM won the Gold award in the Best Media Innovation - Digital Social Media category in the annual Media EMVIES Awards 2012.

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. 90,000 crore (US\$ 17.7 billion), cash flows of Rs. 8,000 crore (US\$ 1.6 billion), net profit of Rs. 3,200 crore (US\$ 0.6 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 150 million including over 2.5 million individual overseas retail customers, ranks among the Top 6 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes over 35,000 Indian and multinational corporations including small and medium enterprises and over 800 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 summary

(Rs. Crore)

Particulars	<u>3 months ended</u> 30/9/11	<u>3 months ended</u> 30/9/12	<u>Increase /</u> <u>(Decrease)</u>
Turnover			
Wireless	4,417	4,422	0.1%
Global Enterprise	2,335	2,433	4.2%
Others	283	219	-22.6%
Total (post eliminations)	5,040	5,202	3.2%
EBITDA			
Wireless	1,176	1,180	0.3%
Global Enterprise	569	563	-1.1%
Others	(139)	(104)	25.2%
Total (post eliminations)	1,605	1,638	2.1%
EBITDA margin	31.8%	31.5%	
Depreciation	1,054	913	-13.4%
Financial Charges (net)	227	593	161.2%
Exceptional items	0	-	-
PBT	323	132	-59.1%
Tax	1	0	-
PAT (before minority interest / associates)	322	132	-59.0%
Share of minority interest / associates	70	30	-57.1%
PAT (after minority interest / associates)	252	102	-59.5%