

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES FINANCIAL RESULTS FOR THE
QUARTER (Q4) ENDED MARCH 31, 2013**

Q4 REVENUE AT RS. 5,956 CRORE, UP 12.3% Q-O-Q

Q4 EBITDA AT RS. 2,218 CRORE, UP 34.2% Q-O-Q

Q4 PAT AT 303 CRORE, UP 186.8% Q-O-Q

EBITDA MARGIN AT 37.2% AMONGST THE HIGHEST IN THE INDUSTRY

Q4 WIRELESS REVENUE AT RS. 4,626 CRORE, UP 2.5% Q-O-Q

Q4 WIRELESS EBITDA AT RS. 1,233 CRORE, UP 2.3% Q-O-Q

**3G CUSTOMERS AT 7.2 MILLION, WHICH IS HIGHEST IN THE INDUSTRY
AND 29.4 MILLION DATA CUSTOMERS**

**Q4 REVENUE PER MINUTE AT 44 PAISA, AMONGST THE HIGHEST IN THE INDUSTRY
FOR THE LAST TWELVE CONSECUTIVE QUARTERS**

**TOTAL DATA TRAFFIC AT 27,240 MN MB, UP 21% Q-O-Q AND DATA USAGE PER SUB
AT 319 MB, HIGHEST IN THE INDUSTRY**

Q4 WIRELESS MINUTES AT 105.4 BILLION, UP 2.3% Q-O-Q

**BOARD APPROVES DIVIDEND OF 5%, PAYOUT OF RS. 60 CRORE, THE ONLY TELECOM
COMPANY IN INDIA TO DECLARE DIVIDEND FOR SEVEN CONSECUTIVE YEARS**

Mumbai, May 10, 2013: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended March 31, 2013.

Highlights of the financial performance for the quarter are:

- **Revenue at Rs. 5,956 crore**, up 12.3% from Rs. 5,301 crore in Q3
- **EBITDA at Rs. 2,218 crore**, up 34.2% from Rs. 1,653 crore in Q3. EBITDA margin at 37.2%, amongst the highest in the industry, with strong contribution from both Wireless and GEBU businesses.
- **Net Profit at Rs. 303 crore**, up 186.8% from Rs. 105 crore in Q3

KEY HIGHLIGHTS:

1. **Consolidated Revenue & EBITDA:** RCOM Q4 total revenues at Rs. 5,956 crore, up 12.3% from Rs. 5,301 crore in Q3. Q4 EBITDA at Rs. 2,218 crore, with EBITDA margin of 37.2% amongst the highest in the industry.
2. **Wireless Revenue & EBITDA:** Q4 wireless revenue at Rs. 4,626 crore, up 2.5% q-o-q. Q4 wireless EBITDA at Rs. 1,233 crore, up 2.3% q-o-q.
3. **RPM:** RPM stood at a healthy 44 paisa. We have successfully achieved RPM stability for the last 12 consecutive quarters amidst intense competition and over supply of minutes in market place.
4. **Global Enterprise (GEBU) Revenue & EBITDA:** Q4 Revenues at Rs. 2,466 crore, up by 0.5% from Rs. 2,454 crore in Q3. Q4 EBITDA at Rs. 569 crore, up by 0.2% q-o-q. Q4 EBITDA margin stands at 23.1%.
5. **RCOM continues to be free cash flow positive.** RCOM generated operational cash flow (EBITDA) of Rs. 2,218 crore in Q4. This is the second full year of positive free cash flow (FCF) for the company and this trend shall continue in succeeding years. RCOM on 10th May, 2013 made full repayment of a syndicated ECB loan facility of US\$500 million (over Rs. 2,700 crore) on the due date. The loan was taken in 2007 from a group of international banks.
6. **Reliance Communications Unveils Large-scale Network Expansion Plan:** RCOM announced ambitious plans to expand its pan-India network significantly through strategic 2G GSM Intra-Circle Roaming agreements with existing operators, offering its customers wider coverage and uninterrupted service across the country. Once in place, RCOM's 2G GSM customers will be able to roam seamlessly on all partner networks, free of any additional cost.
 These ICR agreements will increase RCOM's national 2G GSM network footprint by 10,000 base stations and bring in an addressable market of over 150 million customers, adding up to a market opportunity of over Rs. 10,000 crore. All agreements with existing telecom operators are likely to be completed by the end of the second quarter of the ongoing financial year. The first such arrangement signed with Aircel offers RCOM customers seamless mobility and a wider footprint, while providing an impetus to the Company's yields, both in terms of revenue market share and customer market share.
7. **RCOM further hikes tariffs by 20% across India:** RCOM further hiked tariffs by 20% across India and cut promotional & concessional offers by as much as 65%. The tariffs for all commitment plans have been hiked by 20-30% which are being used by a large part of our customer base. The move is aimed at bringing greater RPMs and profitability.
8. **RCOM and Ericsson sign USD 1 billion managed services contract for wireline and wireless networks for North and West India:** Last quarter we announced USD 1 Billion partnership with Alcatel-Lucent to provide all comprehensive and value-enhancing management to RCOM's networks and services in the Eastern and the Southern regions of the country to deliver a world-class seamless voice and data communications experience to customers.
 Further to this, RCOM signed a full-scope managed services agreement with Ericsson for USD 1 billion to operate and manage the wireline and wireless networks for Northern and Western states of India.
 As per the contract, Ericsson will manage the day to day operations across wireline and wireless networks and will take over responsibility for field maintenance, network operations

and operational planning of RCOM 2G, CDMA and 3G mobile networks. This agreement is aimed to meet the fast evolving customer demand for communications applications and services in one of the world's most dynamic telecom markets.

Both these managed services contracts will provide integrated management to deliver world class customer experience using global expertise and bringing in operational efficiencies and cost optimization.

- 9. Reliance Jio Infocomm & RCOM sign Rs. 1,200 crore agreement:** Reliance Jio Infocomm Ltd. and RCOM signed a definitive agreement for approx. Rs. 1,200 crore as one time indefeasible right to use (IRU) fees for sharing RCOM's nationwide inter-city fiber optic network infrastructure. Under the terms of the agreement, Reliance Jio Infocomm will utilize multiple fiber pairs across RCOM's 1,20,000 kilometres inter-city fiber optic network to provide a robust and future-proof backbone for rolling out its state-of-the-art 4G services.

As per the agreement, Reliance Communications will in turn have reciprocal access to optic fiber infrastructure to be built by Reliance Jio Infocomm in the future. The agreement provides for joint working arrangements to be put in place immediately for upgradation of the optic fiber network, to ensure seamless delivery of next generation services.

This agreement is the first in an intended comprehensive framework of business co-operation between Reliance Jio Infocomm and Reliance Communications to provide for optimal utilization of the existing and future infrastructure of both companies on reciprocal basis, including inter alia, inter-city fiber, intra-city fiber, towers and related assets.

- 10. Reliance Globalcom integrates Hawk cable system with Reliance Global Network:**

Reliance Globalcom, the leading global provider of international wholesale telecom services with a presence in high growth emerging and developed markets covering US, Europe, Middle East and Asia, announced the activation of its Hawk submarine cable system in Egypt and it's seamless integration with the Reliance Globalcom Network. The integration of the Hawk submarine cable system with the Reliance Global Network will enable additional capacity of 20 terabits in the Mediterranean region and will enable Falcon to carry the same capacity between Europe and India as well as between Europe and Middle East.

- 11. RCOM partners with Twitter in India:** RCOM announced a partnership with Twitter in India to launch a first of its kind bundled prepaid plan 'Reliance Twitter Access Pack' for all Reliance GSM subscribers in the country. Through this partnership, RCOM becomes the first telecom operator in the country to partner with Twitter in India on the new 'Twitter Access' program. Reliance GSM prepaid customers across the country can now follow friends, family, news, cricket, entertainment and all their interests with unlimited Twitter access without paying any extra data consumption charges.

- 12. Major Rewards & Recognition during the year, FY2013:**

CIO Masters Award: RCOM won CIO Masters Awards 2013. This award presented by Network 18 for our IT security initiative "Deployment of Data Leakage Prevention Solution in RCOM".

EMC Transformers Award: RCOM won the EMC Transformers Award 2012 in being the leading edge IT BIG DATA successes. This award identifies and recognizes change being brought in Indian Enterprises through smart and judicious use of IT Infrastructure. We won this Award for our initiative in building Next Generation BIG DATA Analytics Platform for near Real Time Reporting, using Open Source Technologies, by our internal IT.

Aegis Graham Bell Award: RCOM won the Aegis Graham Bell Awards 2012 for "Best Broadband Data Network", which reinforce our belief that RCOM is best positioned to capitalize data opportunity with it's "Built for Internet" network.

Annual EDGE Award: 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.

Economic Times Telecom Award: 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.

Media EMVIES Award: RCOM won the Gold award in the Best Media Innovation - Digital Social Media category in the annual Media EMVIES Awards 2012.

Frost & Sullivan India ICT Award: Awarded as the 'Managed Video Conferencing Service Provider of the Year' by 2012 Frost & Sullivan India ICT Awards.

Global Excellence Award: Reliance was awarded TM Forum Global Excellence Award 2012 – 'Business Innovation', in Dublin - Ireland this year. This award was conferred for 3G Video on demand innovative platform - demonstrating the most innovative and successful new service or business model.

Green IT Enterprise Award: Top Green IT Enterprise Award 2012 instituted by IDG Media in recognition of our contribution towards green and clean environment

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 130 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: Quarterly Summary

(Rs. Crore)

Particulars	<u>Trailing Quarter</u> <u>3 months ended</u> <u>31/12/12</u>	<u>Current Quarter</u> <u>3 months ended</u> <u>31/03/13</u>	<u>Increase /</u> <u>(Decrease)</u>
Turnover			
Wireless	4,515	4,626	2.5%
Global Enterprise	2,454	2,466	0.5%
Others	223	777	247.8%
Total (post eliminations)	5,301	5,956	12.3%
EBITDA			
Wireless	1,206	1,233	2.3%
Global Enterprise	567	569	0.2%
Others	(119)	445	-
Total (post eliminations)	1,653	2,218	34.2%
EBITDA margin	31.2%	37.2%	
Depreciation	934	1,089	16.7%
Financial Charges (net)	605	747	23.4%
Exceptional items	-	-	
PBT	114	382	234.2%
Tax	-	75	-
PAT (before minority interest / associates)	114	307	168.4%
Share of minority interest / associates	9	4	(55.2%)
PAT (after minority interest / associates)	105	303	186.8%