

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES FINANCIAL RESULTS
FOR THE QUARTER (Q1) ENDED JUNE 30, 2013**

OVERALL PERFORMANCE:

CONSISTENT GROWTH FOR PAST 3 CONSECUTIVE QUARTERS
OPERATING INCOME UP 3.6 % Q-O-Q AT RS. 5,315 CRORE (US\$ 895 MILLION)
EBITDA UP 2% Q-O-Q AT RS. 1,701 CRORE (US\$ 286 MILLION)
EBITDA MARGIN AT 31.4% AMONGST THE HIGHEST IN THE INDUSTRY

WIRELESS BUSINESS:

REVENUES UP 4.1% Q-O-Q AT RS. 4,816 CRORE (US\$ 811 MILLION)
EBITDA UP 6.6% Q-O-Q AT RS. 1,314 CRORE (US\$ 221 MILLION)
HIGHEST REVENUE AND EBITDA GROWTH IN PAST 3 YEARS
RPM UP 4% Q-O-Q AT 45.7 PAISA
**31.1 MILLION DATA CUSTOMERS INCLUDING 7.7 MILLION 3G CUSTOMERS
(HIGHEST 3G CUSTOMER BASE IN THE INDUSTRY)**
TOTAL DATA TRAFFIC UP 14% Q-O-Q AT 31,050 MILLION MB
DATA USAGE PER SUBSCRIBER AT 342 MB, HIGHEST IN THE INDUSTRY

Mumbai, August 01, 2013: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended June 30, 2013.

Highlights of the financial performance for the quarter are:

- **Operating Income at Rs. 5,315 crore**, up 3.6% from Rs. 5,130 crore in Q4
- **EBITDA at Rs. 1,701 crore**, up 2.0% on comparable basis from Rs. 1,668 crore in Q4. EBITDA margin at 31.4%, amongst the highest in the industry, with strong contribution from both Wireless and GEBU businesses.
- **Net Profit at Rs. 108 crore**

KEY HIGHLIGHTS:

1. **Total Operating Income & EBITDA:** RCOM Q1 total operating income at Rs. 5,315 crore, up 3.6% from Rs. 5,130 crore in Q4. Q1 EBITDA at Rs. 1,701 crore, with EBITDA margin of 31.4% amongst the highest in the industry.
2. **Wireless Revenue & EBITDA:** Q1 wireless revenue at Rs. 4,816 crore, up 4.1% q-o-q from Rs. 4,626 cr in Q4. Q1 wireless EBITDA at Rs. 1,314 crore, up 6.6% q-o-q. Highest revenue and EBITDA growth in the past 3 years.
3. **RPM:** RPM increased to 45.7 paise, up 4% q-o-q. We have significantly improved RPM with tariff hikes and strong focus on paid and profitable minutes.
4. **Global Enterprise (GEBU) Revenue & EBITDA:** Q1 Revenues at Rs. 2,300 crore, down by 6.7% from Rs. 2,466 crore in Q4. Q1 EBITDA at Rs. 518 crore, down by 8.9% q-o-q. Q1 EBITDA margin stands at 22.5%.
5. **RCOM continues to be free cash flow positive.** RCOM generated operational cash flow (EBITDA) of Rs. 1,701 crore in Q1. It remains free cash flow (FCF) positive and this shall continue in succeeding years.
6. **RCOM completes full repayment of two Syndicated ECB Loan facilities aggregating US\$ 1 Billion:** RCOM announced it has completed full repayment of two Syndicated ECB loan facilities of US\$ 500 Million each, aggregating US\$ 1 billion, during the quarter ended 30th June 2013. These loans were availed in the year 2007 from a group of international banks.

In addition, RCOM has made scheduled repayments of another US\$ 207 million (Rs. 1,200 crore) in respect of other foreign currency loans, on the respective due dates during the quarter ended 30th June, 2013. The repayments have been from RCOM's rupee resources. RCOM's foreign currency debt is steadily declining every year, and the interest outgo on such debt is fully covered by US\$ denominated earnings from the Reliance Globalcom business.

7. **Demerger of Real Estate into separate company:** RCOM announced that its Board of Directors has in-principle decided on a demerger of the real estate held by RCOM into a separate unit, Reliance Properties Ltd., to unlock substantial value for the benefit of its approx. 2 million institutional and retail shareholders. The proposed separation of real estate into a separate unit is a part of RCOM's strategic plan to divest non-core assets, and focus on its core wireless and enterprise business.

Reliance Properties Ltd. will be a separate listed Company. All shareholders of RCOM will receive fully tradeable pro-rata shareholding in Reliance Properties Ltd., free of cost, based on their existing shareholding in RCOM.

The Board has constituted a Committee to consider the matter in detail, and prepare the necessary Demerger Scheme, etc. in consultation with legal and other advisors. The Demerger will be subject to approvals from shareholders, lenders, Courts, etc.

8. **RCOM and Reliance Jio Infocomm sign comprehensive agreement for sharing of towers infrastructure:** RCOM announced the signing of a definitive agreement for sharing of RCOM's nationwide telecom towers infrastructure. Under the terms of the agreement, Reliance Jio Infocomm will utilize upto 45,000 ground and rooftop based towers across RCOM's nationwide network for accelerated roll-out of its state-of-the-art 4G services.

The agreement provides for joint working arrangements to configure the scope of additional towers to be built at new locations to ensure deep penetration and seamless delivery of next generation services. This agreement follows the inter-city optic fiber sharing agreement already signed in April 2013 as part of a comprehensive framework of business co-operation between Reliance Jio Infocomm and RCOM.

9. Securitisation of proceeds under Fibre agreement with Reliance Jio Infocomm:

RCOM announced that it has completed securitisation of proceeds under the Rs. 1,200 crore (US\$ 200 million) intercity Fibre Agreement signed with Reliance Jio Infocomm Ltd. in April 2013. The proceeds from securitisation have been utilised to repay high cost rupee debt. The securitisation has been completed with Indian and foreign banks. Deliveries of inter city fibre links to Reliance Jio have already commenced. The total deliveries of 1,20,000 kms inter city fibre under the Agreement are expected to be completed within the current financial year.

10. RCOM offers 3G at 2G prices:

RCOM announced the launch of exciting new 3G data offer at 2G data prices for Smartphone and Tablet users, targeting the fast-growing segment. The aggressive and affordable pricing is all set to trigger a wave of 3G adoption in the country, ensuring greater traction from mid- to high-level data users, and resulting in significant data usage and revenue growth across customer segments. With this offer, all new and existing Reliance subscribers can now avail of best-priced 3G services nationally, across the post-paid and pre-paid segments. Reliance 3G customers can now enjoy the Smartphone experience on the Company's 'Built-for-Internet' superior network with ultra fast video streaming on their Smartphones and tablets, pan-India, without any delay and buffering, anytime, anywhere. Under the new offer, this experience will come without the burden of high data charges.

11. RCOM ties up with Apple to offer iPhone 5 with attractive customer offerings:

RCOM announced that it will offer iPhone 5 in India. RCOM will provide iPhone customers superior 3G speeds and a reliable data experience at attractive offers. iPhone 5 customers will be able to connect to its fast, reliable & superior 3G network with data speeds up to 21 Mbps.

12. Recent Rewards & Recognition:

May 2013, Frost & Sullivan Award: In the 11th edition of Frost & Sullivan's India Information & Communications Technology (ICT) Awards, RCOM won awards for Mobile Entertainment Service Provider of the year and Mobile Broadband Service Provider of the year.

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 over 134 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 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.