

**RELIANCE COMMUNICATIONS ANNOUNCES FINANCIAL RESULTS FOR THE
QUARTER (Q3) ENDED DECEMBER 31, 2014**

OVERALL PERFORMANCE HIGHLIGHTS:

PAT AT RS. 201 CRORE, UP 31% Q-o-Q & 85% Y-o-Y

INDIA OPERATIONS TELECOM REVENUE AT RS. 4,675 CRORE, UP 3% Q-o-Q

TOTAL DATA TRAFFIC AT 76,434 MILLION MB, UP 16.2% Q-o-Q & 83.3% Y-o-Y

HIGHEST DATA USAGE PER SUBSCRIBER IN THE INDUSTRY AT 834 MB, UP 10.9% Q-o-Q

REVENUE AT RS. 5,469 CRORE, UP 1.2% Q-o-Q, EBITDA AT RS. 1,851 CRORE, UP 1.3% Q-o-Q

RPM AT 45.2 PAISA, UP 1.8% Q-o-Q

31.4 MILLION DATA CUSTOMERS INCLUDING 16.7 MILLION 3G CUSTOMERS

TOTAL MOU AT 103.4 BILLION, UP 1.3% Q-o-Q AND ARPU AT RS. 142, UP 3.6% Q-o-Q

GLOBAL OPERATIONS REVENUE AT RS. 1,236 CRORE, UP 23% Q-o-Q

Mumbai, February 13, 2015: Reliance Communications Limited (RCom) today announced its consolidated financial results for the quarter ended December 31, 2014.

KEY HIGHLIGHTS for Q3FY15:

- 1. Net Profit at Rs. 201 crore, up 31% from Rs. 153 crore in Q2.**
- 2. Consolidated Revenue & EBITDA:** RCom Q3 revenue at Rs. 5,469 crore, up 1.2% from Rs. 5,403 crore in Q2. Q3 EBITDA at Rs. 1,851 crore, up 1.3% from Rs. 1,827 crore in Q2. EBITDA margin of 33.8% maintained at the same level as Q2
- 3. India Operations Revenue & EBITDA:** Q3 revenue at Rs. 4,799 crore, up 2.5% from Rs. 4,680 crore in Q2. Q3 EBITDA at Rs. 1,705 crore, up 2.6% from Rs. 1,662 crore in Q2
- 4. Global Operations Revenue & EBITDA:** Q3 Revenues at Rs. 1,236 crore, up by 23% from Rs. 1,007 crore in Q2. Q3 EBITDA at Rs.146 crore, down by 11.5% from Rs. 165 crore in Q2.

5. RCom continues to be free cash flow positive. RCom generated operational cash flow (EBITDA) of Rs. 1,851 crore in Q3, paid net finance charges of Rs. 652 crore and invested Rs. 348 crore on capex during the quarter. It remains free cash flow (FCF) positive and this is expected to continue.

6. Key Performance Indicators (KPIs):

- a. **RPM:** RPM at 45.2 paisa, up 1.8% Q-o-Q. Voice RPM at 34.0 paisa, up 1.2% Q-o-Q.
- b. **MOU:** Total MOU at 103.4 billion, up 1.3% Q-o-Q
- c. **ARPU:** ARPU at Rs. 142, up 3.6% Q-o-Q.
- d. **Data Customers:** The total data customer base has grown 5.7% Q-o-Q to 31.4 million including 16.7 million 3G customers in Q3.
- e. **Data Traffic:** The total data traffic at 76,434 million MB, up 16.2% Q-o-Q and 83.3% Y-o-Y. The traffic has increased due to increase in data subscribers and higher data usage per customer.

7. Key Developments in India Operations:

a. RCom partners with Facebook to spread internet inclusion in India:

RCom entered an industry-first partnership with Facebook to offer free data access to useful websites to its customers through Internet.org portal.

These services are available for Reliance customers in the telecom circles of Mumbai, Maharashtra, Gujarat, Andhra Pradesh, Chennai, Tamil Nadu and Kerala. The goal is to extend the services to the rest of the country in a phased manner, and gradually add more services and websites.

Customers can now explore what the Internet is all about, and how it can help them in daily life, without having to worry about data charges. These set of services also come with free Facebook access.

b. RCom becomes launch partner of Samsung Z1 Smart-phone: Samsung Z1 is first ever Smartphone built using Samsung's proprietary Tizen OS for the mass customers. RCom is offering this smart-phone at a very attractive price point along with promotional data offer, which makes it an extremely attractive proposition for customers looking at entry level 3G smart-phone.

c. RCom becomes launch partner of Amazon to offer ZTE Grand 2 Smart-phone: ZTE Grand S2 is first ever multimode smart-phone under Rs 13,000 supporting Rev B technology offering 14.7 Mbps speeds. With the objective to acquire more data customers who are choosing entry level Rev B Smart-phones, RCom is offering this smart-phone at an attractive price point along with promotional data offer.

d. Partnership with Huawei for open market 3G Wi-Fi dongles & Mi-Fi devices:

RCom announced new open market partnership with Huawei, the world's leading mobile broadband device manufacturer. This partnership will bring new portfolio of mobile broadband devices such as 3G Wi-Fi dongles (21.6 Mbps) and Mi-Fi devices (21.6 Mbps) for Reliance 3G customers and address the demand for high speed services.

The new 21.6 Mbps Wi-Fi dongle can connect up-to 10 devices simultaneously and the new 21.6 Mbps Mi-Fi device with in-built battery, can support up-to 10 devices simultaneously and has a 4 hours of battery back-up.

e. Launch of "Free Facebook Fridays":

RCom launched a true value proposition of 'Free Facebook Fridays' for Reliance GSM prepaid customers. Reliance customers can now access Facebook and Facebook Messenger for full day of Friday without any data charge or data pack, every Friday. For customers having a data pack and accessing Facebook, the data quota won't deplete.

This enables existing customers who have a data-device but are not using internet or using internet very intermittently to discover and connect with friends in an uninhibited manner. Once connected, it is expected that they will evolve into pack users and continue using Facebook through the week, free, with our social-network bundled data packs.

f. Launch of "Reliance MyStore" upsell portal:

Reliance MyStore is a unique offering on USSD platform for prepaid GSM subscribers. This Customer Lifecycle Management platform has very attractive offerings across voice, data & SMS. This platform is going to be the single most important medium to manage Customer Lifecycle. The offers are available against three segments; 'Rs. 9 Store', 'Only For You' and 'Flavor of the Month'.

The portal presents a very simple user interface and the customer can purchase an offer from the prepaid balance then and there without having to step out to any Reliance outlet.

g. RCom unveils 'TalkLoan' facility to ensure uninterrupted calling, surfing for its customers:

RCom unveiled an innovative TalkLoan service for its pre-paid customers. With the TalkLoan service, customers with a low pre-paid account balance can simply dial a toll-free number and get an instant 'TalkLoan' recharge, which can be used for both voice and data services. The service offers significant benefits to customers who sometimes cannot make important or urgent calls due to insufficient balance. The TalkLoan service provides the customers with an instant loan of Rs 5 or Rs 10, which can be availed of when the balance dips below Rs 10. The talk-time given through the TalkLoan loan facility does not have any validity constraints, and customers can use it anytime they want. The 'loan amount' is recovered by the Company over subsequent recharges, with a nominal transaction fee.

8. Major Rewards & Recognition during the quarter:

- **Economic Times HR Excellence Award, 2014:** RCom received this award for exemplary work ethic and human resource practices, including in the areas of learning and development, talent management and talent acquisitions.
- **IT Edge Award 2014:** UBM has conferred this award on RCom for being one of the finest business technology innovators. It has been awarded for readiness in plug-n-play in integrating OTTs into the overall customer experience.
- **Woman Leader in IT by Interop:** Interop, a leading independent technology conference forum that showcases the most powerful innovations and solutions in the industry, has awarded “Woman Leader in IT” to IT-CIO of RCom for business strategic focus in Technology.
- **CIO 100 by IDG Media:** IDG Media has conferred this award on RCom for its information security project viz. Deployment of Anti-DDOS (Distributed Denial of Service). This deployment supports business in improving customer service by ensuring better availability of services.

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. 91,500 crore (US\$ 15.3 billion), cash flows of Rs. 10,200 crore (US\$ 1.7 billion), net profit of Rs. 4,700 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company has a customer base of about 115 million including over 2.6 million individual overseas retail customers. Reliance Communications corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 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 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 280,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia-Pacific region.

Financial Results: Quarterly Summary

(Rs. Crore)

Particulars	2QFY15	3QFY15	Inc/ Dec (q-o-q)
Turnover			
India Operations	4,680	4,799	2.5%
Global Operations	1,007	1,236	22.8%
Total (post eliminations)	5,403	5,469	1.2%
EBITDA			
India Operations	1,662	1,705	2.6%
Global Operations	165	146	-11.5%
Total (post eliminations)	1,827	1,851	1.3%
EBITDA margin	33.8%	33.8%	
Depreciation	943	948	0.5%
Financial Charges (net)	670	652	-2.7%
PBT	214	251	17.0%
Tax	2	17	-
PAT (before minority interest / associates)	212	234	10.5%
PAT (after minority interest / associates)	153	201	31.4%