

February 11, 2017

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Mumbai 400 051
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BSE Scrip Code: 532712

NSE Symbol: RCOM

Dear Sir,

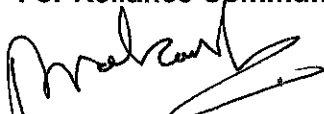
Sub: Media Release

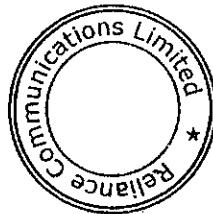
We enclose herewith a Media Release dated February 11, 2017 issued by the Company, which is self explanatory.

We request you to kindly inform your members accordingly.

Thanking you.

Yours faithfully,
For Reliance Communications Limited


Prakash Shenoy
Company Secretary



Encl: As above.

**RELIANCE COMMUNICATIONS ANNOUNCES
FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2016**

TOTAL REVENUE AT RS. 4,922 CRORE, DOWN 4.3% Q-o-Q

EBITDA AT RS. 1,206 CRORE, DOWN 21.8% Q-o-Q

NET LOSS AT RS. 531 CRORE, PRIMARILY ON ACCOUNT OF:

- UNPRECEDENTED COMPETITIVE INTENSITY IN THE INDUSTRY
- COMPLETE SHUTDOWN OF PROFITABLE CDMA OPERATIONS DURING THIS ENTIRE QUARTER
- INCREASED AMORTISATION AND INTEREST EXPENSE AGGREGATING RS. 278 CRORE ON ACCOUNT OF CAPITALISATION OF 850 MHZ 4G LTE SPECTRUM LIBERALISATION FEE

RCOM EXPECTS SIGNIFICANT LONG TERM BENEFITS FROM UNIQUE ACCESS TO RELIANCE JIO'S EXTENSIVE 4G LTE NETWORK AT MINIMAL CAPEX AND OPEX

GLOBAL REVENUES STABLE AT RS. 1,132 CRORE, UP 4% Q-o-Q

GLOBAL EBITDA AT RS. 249 CRORE, UP 1.6% Q-o-Q

Mumbai, February 11, 2017: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended December 31, 2016. The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2016 with a transition date of April 1, 2015.

Key Highlights for Q3 FY17:

- 1. Consolidated Revenue & EBITDA:** RCOM Q3 revenue at Rs. 4,922 crore, down 4.3% from Rs. 5,142 crore in Q2. Q3 EBITDA at Rs. 1206 crore, down 21.8% from Rs. 1,542 crore in Q2.
- 2. Net Loss at Rs. 531 crore:** The company suffered net loss of Rs. 531 crore during the quarter primarily on account of the following reasons -
 - The industry witnessed unprecedented competitive intensity.
 - This was the first full quarter after Company's complete shutdown of its profitable CDMA operations.
 - There was an increase in amortisation and interest expense aggregating Rs. 278 crore on account of capitalisation of 850 MHz spectrum liberalisation fee.

3. **Long-term benefits from access to Reliance Jio’s nationwide 4G LTE network:** RCOM expects significant long-term benefits from its unique access to Reliance Jio's extensive and state-of-the-art 4G LTE network at minimal capex and opex. It enables RCOM to provide differentiated and best-in-class 4G LTE services to its valued subscribers.
4. **India Operations Revenue & EBITDA:** Q3 revenue at Rs. 4,267 crore, down 4.9% from Rs. 4,488 crore in Q2. Q3 EBITDA at Rs. 957 crore, down 26% from Rs. 1,297 crore in Q2.
5. **Global Operations Revenue & EBITDA:** Q3 Revenues at Rs. 1,132 crore, up 4.0% from Rs. 1,089 crore in Q2. Q3 EBITDA at Rs. 249 crore, up 1.7% from Rs. 245 crore in Q2.
6. **Key Performance Indicators (KPIs):**
 - a. **RPM:** RPM at 40 paisa, down 10.5% Q-o-Q
 - b. **MOU:** Total MOU at 102.1 billion, up 4.3% Q-o-Q
 - c. **ARPU:** ARPU at Rs. 154, down 0.6% Q-o-Q
 - d. **Data Customers:** The total data customer base is 32 million including 23.4 million 3G/4G customers in Q3.
 - e. **Data Traffic:** The total data traffic at 93.7 billion MB is down over 10% Q-o-Q. The traffic has decreased mainly due to severe competitive intensity.
7. **Key Developments:**
 - a. **Reliance launched a truly unlimited offer for pre-paid customers – 149 Truly Unlimited:** Reliance launched the ‘149 Unlimited’ Calling Plan, offering customers unlimited calling talk-time to any phone on any telecom network across the country, including STD calls, at just Rs 149 per month. This plan is set to change the dynamics of mobile recharges in India, as customers move away from the traditional Revenue Per Minute tariff model to a service subscription model based on ARPU. The ‘149 Unlimited’ Plan, available across the 2G, 3G and 4G technology platforms, is targeted at incentivizing 2G, 3G and 4G handset-owners across India to move to the RCOM network. There are still hundreds of millions of older 2G handset-owners in India, and RCOM is positioning the unique plan to migrate these customers to its network, along with 300 MB of data usage. And with RCOM’s high-speed Add-on Data Plans, ‘149 Unlimited’ will also appeal to data-heavy 3G-4G customers, who will benefit from unlimited calling talk-time. Regardless of the type of Feature Phone or Smartphone used, customers will get unlimited voice calling, including STD calls, to any phone on any network in India—plus 300 MB of data access on RCOM’s best-in-class 2G, 3G & 4G networks. Due to the success of this plan by Reliance all the other operators introduced similar offer at this price point.

Reliance launched attractive tiered post paid plans – JALSA plan: Reliance launched a new post-paid plan named the JALSA plans targeted to acquire high value Voice & 4G Data customers. All the plans offer Unlimited calling on any network. Higher the rental of the plan higher is the Data quantum offered. Rentals start at Rs 299 that offers 1GB 2G/3G data or 3GB 4G data. This plan is targeted towards mass market customers hooked on to the social media like facebook, Whatsapp, e-mails, etc,

while Rs 499 rental is targeted towards a customer whose usage extends beyond social media / e-mails, etc to downloading of music/videos and finally Rs 699 plan offer 10GB data targeting the large corporates who would like to use the phone as a Hotspot as well.

- b. Celebrity Contest - Fly with MS Dhoni:** RCOM launched a contest for the customers to dial *789*19#, and answer some simple questions correctly to get a chance to Fly with MS Dhoni. Correct answers would make the customer eligible to win Daily, Weekly or Bumper prize.

 - Daily Prizes: 10 Customers will be randomly selected everyday for Rs 100 MRP recharge with Rs 84.34 talk-time. Bill credit for post-paid.
 - Weekly Prizes: 2 Customers will get Smartphone worth Rs 10,000 every week from participants selected randomly.
 - Bumper Prize: End of the contest period, one winner selected for Bumper prize "Fly with MS Dhoni".

- c. Reliance Mega Win Contest:** Reliance arranged a Mega Win Contest - Season 1, a skill-set based contest launched over IVR from 25th January'17 till 27th April'17 where LTE & GSM customers would be able to answer questions over IVR. Questions were based on various genres like Bollywood, Sports, Celebrities, etc. For participation customers had to subscribe to the contest by dialing 53030888 (toll free) and pay Rs 30 to participate in the contest. On playing, they could get an opportunity to win a Monthly Bumper prize of Yamaha FZ F1 motorbike, Weekly prize of 1 Samsung mobile every 10 days, and Daily Prize of Rs 15 Recharge for a value of Rs 50.

- d. GCX deployed Cumulous Network:** GCX announced the deployment of our Cumulous Network to boost connectivity in the seven Indian Capital cities across the Indian subcontinent while providing connectivity between international gateways in Chennai and Mumbai –both powerhouse cities and gateways for the major tech and financial institutions doing business across the Indian subcontinent. The new Cumulous Network, based on 100G technology, will complement our digital backbone as we complete deployment of our Cloud infrastructure across India.

- e. GCX completed the sale of Yipes customer base to GTT:** GCX completed the sale of Yipes customer base to GTT. Simultaneously, all of the outstanding interests held by the Company in Yipes were transferred to GTT Americas LLC, a wholly-owned subsidiary of GTT Communications Inc., an established, publicly listed U.S. carrier that provides domestic and international communication services.

- f. GCX enhanced Telecom Italia Sparkle partnership with new international routes:** GCX also enhanced our Telecom Italia Sparkle partnership with new international routes. Sparkle is acquiring significant Spectrum capacity across GCX's Flag Atlantic (FA-1) system. In addition, Sparkle and GCX will close a strategic capacity deal on the new Europe-to-Asia system, SEAMEWE-5. GCX will continue to explore additional areas of cooperation into markets across South America, the Middle East and Asia Pacific.

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. 100,840 crore (US \$15.2 billion), cash flows of over Rs 11,300 crore (US \$1.7 billion) and net profit of over Rs 5,100 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company has a customer base of nearly 95 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.

Q3 FY17 Financial Results: Summary (IND AS)

Particulars	(Rs. Crore)		Inc/ Dec (Q-o-Q)
	2Q FY17	3Q FY17	
Turnover			
India Operations	4,488	4,267	-4.9%
Global Operations	1,089	1,132	4.0%
Total (post eliminations)	5,142	4,922	-4.3%
EBITDA			
India Operations	1,297	957	-26.2%
Global Operations	245	249	1.6%
Total (post eliminations)	1,542	1,206	-21.8%
EBITDA margin	30.0%	24.5%	
Depreciation	833	1,165	39.8%
Financial Charges (net)	825	958	16.1%
PBT	(116)	(917)	
Tax	(177)	(428)	
PAT (after minority interest / associates)	39	(531)	