

**Unaudited Financial Results (Consolidated) for the Quarter and Half year ended September 30, 2014**

PART I								(₹ in Crore)
Sl. No.	Particulars	Quarter ended			Half year ended		Year ended	
		30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	<b>Income from operations</b>							
	(a) Net Income from Operations	5,091	5,290	5,266	10,381	10,512	20,940	
	(b) Other Operating Income	196	64	95	260	164	298	
	<b>Total Income from Operations</b>	<b>5,287</b>	<b>5,354</b>	<b>5,361</b>	<b>10,641</b>	<b>10,676</b>	<b>21,238</b>	
2	<b>Expenses</b>							
	(a) Access Charges	731	686	656	1,417	1,321	2,791	
	(b) License Fee	254	311	295	565	592	1,203	
	(c) Employee Cost	237	275	224	512	466	1,025	
	(d) Depreciation and Amortisation	943	931	937	1,874	1,820	4,535	
	(e) Other Expenses	2,354	2,388	2,332	4,742	4,839	9,576	
	<b>Total Expenses</b>	<b>4,519</b>	<b>4,591</b>	<b>4,444</b>	<b>9,110</b>	<b>9,038</b>	<b>19,130</b>	
3	<b>Profit from Operations before Other Income, Finance Costs and Exceptional Items (1 - 2)</b>	<b>768</b>	<b>763</b>	<b>917</b>	<b>1,531</b>	<b>1,638</b>	<b>2,108</b>	
4	Other Income	116	169	474	285	571	1,083	
5	<b>Profit before Finance Costs and Exceptional Items (3 + 4)</b>	<b>884</b>	<b>932</b>	<b>1,391</b>	<b>1,816</b>	<b>2,209</b>	<b>3,191</b>	
6	Finance Costs (net)	670	767	676	1,437	1,363	3,019	
7	<b>Profit after Finance Costs but before Exceptional Items (5 - 6)</b>	<b>214</b>	<b>165</b>	<b>715</b>	<b>379</b>	<b>846</b>	<b>172</b>	
8	Exceptional Items	-	-	-	-	-	-	
9	Prior Period Adjustment	-	-	-	-	-	56	
10	<b>Profit from Ordinary Activities before Tax (7 - 8 - 9)</b>	<b>214</b>	<b>165</b>	<b>715</b>	<b>379</b>	<b>846</b>	<b>116</b>	
11	Tax Expenses	2	1	1	3	2	(1,021)	
12	<b>Net Profit from ordinary Activities (10 - 11)</b>	<b>212</b>	<b>164</b>	<b>714</b>	<b>376</b>	<b>844</b>	<b>1,137</b>	
13	Share of Profit/(Loss) of Associates	(1)	-	(1)	(1)	(2)	(2)	
14	Share of Minority Interest	60	32	40	92	63	92	
15	<b>Net Profit after Taxes, Minority Interest and share of profit / (loss) of Associates (12 - 13 - 14)</b>	<b>153</b>	<b>132</b>	<b>675</b>	<b>285</b>	<b>783</b>	<b>1,047</b>	
16	Paid-up Equity Share Capital (Face Value of Rs. 5 each) (Refer Note 4)	1,191	1,021	1,032	1,191	1,032	1,021	
17	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	30,768	
18	<b>Earnings per Share (EPS) before and after Extraordinary Items (not annualised)</b>							
	- Basic (Rs.)	0.64	0.64	3.27	1.27	3.79	5.07	
	- Diluted (Rs.)	0.63	0.64	3.27	1.27	3.79	5.07	
19	Debt Equity Ratio (Refer Note 6)				1.04	1.27	1.29	
20	Debt Service Coverage Ratio (DSCR) (Refer Note 6)				0.93	1.07	1.07	
21	Interest Service Coverage Ratio (ISCR) (Refer Note 6)				2.56	2.93	2.77	

PART II							
Select Information							
Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30/Sep/2014	30/Jun/2014	30/Sep/2013	30/Sep/2014	30/Sep/2013	31/Mar/2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>A</b>	<b>Particulars of Shareholding</b>						
1	<b>Public Shareholding</b>						
	Number of Shares	1,003,003,901	664,717,704	664,718,324	1,003,003,901	664,718,324	664,717,704
	Percentage of Shareholding	41.75%	32.20%	32.20%	41.75%	32.20%	32.20%
2	<b>Promoters and Promoter Group Shareholding</b>						
	(a) Pledged / Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	- Percentage of Shares (as a % of the total share capital of the company)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	(b) Non -encumbered						
	- Number of Shares	1,399,309,177	1,399,309,177	1,399,308,557	1,399,309,177	1,399,308,557	1,399,309,177
	- Percentage of Shares (as a % of the total shareholding of promoters and Promoter Group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total share capital of the company)	58.25%	67.80%	67.80%	58.25%	67.80%	67.80%

<b>B Investor Complaints</b>		Quarter ended 30-Sept-2014	
Particulars			
Pending at the beginning of the quarter			Nil
Received during the quarter			7
Disposed off during the quarter			7
Remaining unresolved at the end of the quarter			Nil

Segment wise Revenue, Results and Capital Employed							(₹ in Crore )
Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment Revenue</b>						
	(a) India Operation	4,680	4,718	4,624	9,398	9,283	18,569
	(b) Global Operation	1,007	1,073	1,139	2,080	2,270	4,621
	<b>Total</b>	<b>5,687</b>	<b>5,791</b>	<b>5,763</b>	<b>11,478</b>	<b>11,553</b>	<b>23,190</b>
	Less: Inter segment revenue	(284)	(268)	(369)	(552)	(747)	(1,310)
	<b>Income from Operations</b>	<b>5,403</b>	<b>5,523</b>	<b>5,394</b>	<b>10,926</b>	<b>10,806</b>	<b>21,880</b>
2	<b>Segment Results</b>						
	Profit / (Loss) before Tax and Finance Cost from each segment						
	(a) India Operation	854	883	840	1,737	1,524	2,385
	(b) Global Operation	30	49	110	79	244	365
	<b>Total</b>	<b>884</b>	<b>932</b>	<b>950</b>	<b>1,816</b>	<b>1,768</b>	<b>2,750</b>
	Add : Unallocable Revenue	-	-	441	-	441	441
	Less : Finance Costs (net)	670	767	676	1,437	1,363	3,019
	Less : Exceptional Items	-	-	-	-	-	-
	Less : Period Period Adjustment	-	-	-	-	-	56
	<b>Total Profit before Tax</b>	<b>214</b>	<b>165</b>	<b>715</b>	<b>379</b>	<b>846</b>	<b>116</b>
		-	-	-	-	-	-
3	<b>Capital Employed</b>						
	(Segment assets - Segment liabilities)						
	(a) India Operation	66,819	66,006	65,337	66,819	65,337	66,133
	(b) Global Operation	7,565	7,290	10,733	7,565	10,733	7,401
	(c) Others/ Unallocable	2,978	1,670	2,376	2,978	2,376	1,646
	<b>Total</b>	<b>77,362</b>	<b>74,966</b>	<b>78,446</b>	<b>77,362</b>	<b>78,446</b>	<b>75,180</b>

Consolidated Statement of Assets and Liabilities		(₹ in Crore )	
		As at 30-Sep-14 Unaudited	As at 31-Mar-14 Audited
	Particulars		
<b>A</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	(a) Share Capital	1,191	1,021
	(b) Reserves and Surplus (Net of Rs. 380 crore relating to *)	35,522	31,388
	(c) Money Received against Warrants	650	-
	<b>Sub-total - Shareholders' Funds</b>	<b>37,363</b>	<b>32,409</b>
<b>2</b>	<b>Minority Interest</b>	<b>838</b>	<b>743</b>
<b>3</b>	<b>Non Current Liabilities</b>		
	(a) Long Term Borrowings	25,059	27,913
	(b) Deferred Tax Liabilities (Net)	1,803	1,803
	(c) Other Long Term Liabilities	863	915
	(d) Long Term Provisions	1,057	1,031
	<b>Sub-total - Non Current Liabilities</b>	<b>28,782</b>	<b>31,662</b>
<b>4</b>	<b>Current Liabilities</b>		
	(a) Short Term Borrowings	6,780	8,909
	(b) Trade Payables	4,459	3,516
	(c) Other Current Liabilities	13,346	11,856
	(d) Short Term Provisions	1,244	1,257
	<b>Sub-total - Current Liabilities</b>	<b>25,829</b>	<b>25,538</b>
	<b>Total Equity and Liabilities</b>	<b>92,812</b>	<b>90,352</b>
<b>B</b>	<b>Assets</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Fixed Assets	64,943	66,443
	(b) Goodwill on Consolidation	5,387	5,300
	(c) Non Current Investments	123	118
	(d) Deferred Tax Asset (net)	1,488	1,488
	(d) Long Term Loans and Advances	4,194	3,542
	(e) Other Non Current Assets	83	84
	<b>Sub-total - Non Current Assets</b>	<b>76,218</b>	<b>76,975</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Current Investments	1,065	605
	(b) Inventories	356	415
	(c) Trade Receivables	3,900	3,919
	(d) Cash and Cash Balances	1,354	504
	(e) Short Term Loans and Advances	7,465	5,828
	(f) Other Current Assets	2,454	2,106
	<b>Sub-total - Current Assets</b>	<b>16,594</b>	<b>13,377</b>
	<b>Total Assets</b>	<b>92,812</b>	<b>90,352</b>

\* - 21,279,000 nos of equity shares held by ESOS Trust

## Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. Pursuant to the Schemes of Arrangement ("the Schemes") sanctioned by the Hon'ble High Court of Judicature at Bombay, variation on account of changes in exchange rates including amortisation of the balance in "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" and depreciation consequent to addition of exchange differences to the cost of capitalised assets aggregating to ₹ 233 crore and ₹ 440 crore during the quarter and half year ended on September 30, 2014 respectively are withdrawable from General Reserve. These withdrawable items are not considered in the accounts for the quarter and half year ended on September 30, 2014 and consequently no withdrawal has been made. The necessary effects, if any, will be carried out at the year end. Consequently, reported Reserve and surplus, current liabilities, fixed assets and current assets would have been ₹ 35,082 crore, ₹ 25,837 crore, ₹ 64,734 crore and ₹ 16,607 crore respectively as at September 30, 2014. The Company has, as permitted under the said Schemes, adjusted additional depreciation of ₹ 294 crore and ₹ 588 crore, arising on fair value of the assets, for the quarter and half year ended on September 30, 2014 respectively by withdrawing an equivalent amount from General Reserve.
3. Pursuant to the Companies Act, 2013 (the Act) becoming effective from April 1, 2014, the Company and a subsidiary company have adopted estimated useful life of fixed assets as stipulated under Schedule II to the Act, except in case of some of its telecommunication equipments, as legally advised and as permitted by the said Schedule, where, based on condition of such telecommunication equipments, regular maintenance schedule, material of construction and past experience the Company has considered useful life of 20 years instead of 18 years and a subsidiary company has considered useful life of optic fiber cables as 35 years instead of 20 years applied hitherto.
4. The paid up share capital of the Company is net of 21,279,000 no. of equity shares, of ₹ 5/- each, ₹ 11 crore being the face value of such equity shares. The Company has consolidated financial statements of the RCOM ESOS Trust as at 31<sup>st</sup> March, 2014 with Standalone financial results of the Company in terms of SEBI(ESOS and ESPS) Guidelines, 1999 and recent opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI).
5. The Company is operating with India Operations, Global Operations and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of AS 17 "Segment Reporting".
6. Formula used for the computation of ratios:
  - i) Debt Equity Ratio = Debt/ Equity;
  - ii) Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest, tax/ (Interest + Principal repayment);

iii) Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/  
(Interest expense)

7. The Company has opted to publish consolidated financial results for the year 2014 -15. Standalone financial results, for the quarter and half year ended on September 30, 2014 can be viewed on the website of the Company, National Stock Exchange of India Limited and BSE Limited at www.rcom.co.in, www.nseindia.com and www.bseindia.com respectively.
8. Additional information on standalone basis is as follows:

(₹ in crore)

Particulars	Quarter ended			Six months ended		Year ended
	30-Sept-14	30-Jun-14	30-Sept-13	30-Sept-14	30-Sept-13	31-Mar-14
	Unaudited			Unaudited		Audited
Total Income	2,849	2,820	3,472	5,669	6,453	12,445
Profit/ (Loss) before tax	(571)	(536)	81	(1,107)	(147)	(758)
Profit/ (Loss) after tax	(571)	(536)	81	(1,107)	(147)	730

9. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on November 14, 2014.

For Reliance Communications Limited



Anil D. Ambani  
Chairman

Place: Mumbai

Date : November 14, 2014

**RELIANCE COMMUNICATIONS ANNOUNCES FINANCIAL RESULTS FOR THE  
QUARTER (Q2) ENDED SEPTEMBER 30, 2014**

**OVERALL PERFORMANCE HIGHLIGHTS:**

**PAT AT RS. 153 CRORE, UP 16% Q-o-Q**

**NET DEBT REDUCED FROM RS. 40,223 CRORE IN Q1 TO RS. 36,334 CRORE IN Q2**

**NET FINANCE CHARGES DOWN 12.6% Q-o-Q**

**TOTAL DATA TRAFFIC AT 65,778 MILLION MB, UP 19% Q-o-Q & 75% Y-o-Y**

**HIGHEST DATA USAGE PER SUBSCRIBER IN THE INDUSTRY AT 752 MB, UP 12.9% Q-o-Q**

**29.7 MILLION DATA CUSTOMERS INCLUDING 15.1 MILLION 3G CUSTOMERS**

**IN-LINE WITH INDUSTRY TRENDS AND DUE TO SEASONALITY FACTORS,  
REVENUE AT RS. 5,403 CRORE AND EBITDA AT RS. 1,827 CRORE, BOTH DOWN ~2% Q-o-Q**

**EBITDA MARGIN AT 33.8% AMONGST THE HIGHEST IN THE INDUSTRY**

**RPM AT 44.4 PAISA, UP 1.4% Q-o-Q**

**TOTAL MOU AT 102.1 BILLION, DOWN 1% Q-o-Q AND ARPU AT RS. 137, UP 0.7% Q-o-Q**

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**Mumbai, November 14, 2014:** Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended September 30, 2014.

**KEY HIGHLIGHTS for Q2FY15:**

- 1. Net Profit at Rs. 153 crore, up 16% from Rs. 132 crore in Q1.**
- 2. Consolidated Revenue & EBITDA:** RCOM Q2 revenue at Rs. 5,403 crore, down 2.2% from Rs. 5,523 crore in Q1. Q2 EBITDA at Rs. 1,827 crore, down 1.9% from Rs. 1,863 crore in Q1. This is in line with industry trends due to seasonal factors. EBITDA margin of 33.8% amongst the highest in the industry, with strong contribution from both India and Global businesses.
- 3. India Operations Revenue & EBITDA:** Q2 revenue at Rs. 4,680 crore, down 0.8% Q-o-Q from Rs. 4,718 crore in Q1. Q2 EBITDA at Rs. 1,662 crore, down 1.8% Q-o-Q from Rs. 1,693 crore



**4. Global Operations Revenue & EBITDA:** Q2 Revenues at Rs. 1,007 crore, down by 6.2% from Rs. 1,073 crore in Q1. Q2 EBITDA at Rs.165 crore, down by 3.3% from Rs. 170 crore in Q1.

**5. RCOM continues to be free cash flow positive.** RCOM generated operational cash flow (EBITDA) of Rs. 1,827 crore in Q2, paid net finance charges of Rs. 670 crore and invested Rs. 302 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 44.4 paisa, up 1.4% Q-o-Q. Voice RPM at 33.6 paisa, up 0.9% Q-o-Q. During the quarter, we have improved RPM with tariff hikes, strong focus on paid and profitable minutes and increase in data usage.
- b. MOU:** Total MOU at 102.1 billion, down 1% Q-o-Q, in-line with industry trends due to seasonality factors.
- c. ARPU:** ARPU at Rs. 137 in Q2, up 0.7% Q-o-Q.
- d. Data Traffic:** The total data traffic at 65,778 million MB, up 19% Q-o-Q and 75% Y-o-Y. The traffic has increased due to increase in data subscribers and higher data usage per customer.
- e. Data Customers:** The total data customer base has grown 3.8% Q-o-Q to 29.7 million including 15.1 million 3G customers in Q2.

**7. Key Developments in India Operations:**

**a. RCOM upgrades data network:**

RCOM has upgraded its data network to include many more metro cities. This enables high speed data services to customers with speeds up to 14.7 Mbps. This will also help the Company to launch Wi-Fi dongles and standalone Wi-Fi Routers which will offer rich data experience up to 20 connected devices simultaneously. RCOM is enhancing availability of these services in many more circles through ICR arrangements.

**b. RCOM launches further models in dual-sim smartphone:**

RCOM has achieved a breakthrough with 4 new handsets in the lowest price range of 6k to 12k under Lava and Haier brands. The phones are available in 4", 4.5" and 5" screen size and run on the latest Android OS. This is a niche category in dual-sim smartphones with a universal primary slot capable of providing high speed data on both technologies (CDMA / GSM).

**c. RCOM offers free unlimited access to social networking sites:**

RCOM, as a strategy to drive smartphone penetration and data adoption, has created a compelling proposition for GSM prepaid customers by featuring free unlimited

social networking access (Facebook, WhatsApp and Twitter) with data plans. These plans are a very strong proposition for our younger customers, who would find great value in unlimited access to these social networking apps and would drive growth in our data consumption.

**8. Global Cloud Xchange raised Rs. 2,100 crore (USD 350 Mn):** Global Cloud Xchange successfully debuted in the Global Capital Market by raising USD 350 Mn fixed rate notes maturing in 2019. The notes were priced at 100% and with a coupon and yield of 7%. Out of total proceeds, USD 250 Mn is being used to refinance the existing bank loan facility entered into by Reliance Globalcom B.V., and the rest of the proceeds are being used for Capex and general corporate purposes.

**9. Major Rewards & Recognition during the quarter:**

- **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.
- **Economic Times HR Excellence Award, 2014:** The award recognises organisations which are trend setters in the various domains of HR. RCOM has received this prestigious award for its exemplary HR Practices. Initiatives in the areas of Learning & Development, Talent Management & Talent Acquisitions were identified as progressive and noteworthy in the industry.

**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 over 118 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	1QFY15	2QFY15	Inc/ Dec (q-o-q)
<b>Turnover</b>			
India Operations	4,718	4,680	-0.8%
Global Operations	1,073	1,007	-6.2%
<b>Total (post eliminations)</b>	<b>5,523</b>	<b>5,403</b>	<b>-2.2%</b>
<b>EBITDA</b>			
India Operations	1,693	1,662	-1.8%
Global Operations	170	165	-3.3%
<b>Total (post eliminations)</b>	<b>1,863</b>	<b>1,827</b>	<b>-1.9%</b>
<b>EBITDA margin</b>	<b>33.7%</b>	<b>33.8%</b>	
Depreciation	931	943	1.3%
Financial Charges (net)	767	670	-12.6%
<b>PBT</b>	<b>165</b>	<b>214</b>	<b>30.3%</b>
Tax	1	2	-
<b>PAT (before minority interest / associates)</b>	<b>164</b>	<b>212</b>	<b>29.7%</b>
<b>PAT (after minority interest / associates)</b>	<b>132</b>	<b>153</b>	<b>16.0%</b>