

DIGITAL  
LIFEMumbai, 19<sup>th</sup> January 2018**POSITIVE NET PROFIT IN THE SECOND QUARTER OF COMMERCIAL OPERATIONS****RAPID GROWTH IN SUBSCRIBER BASE TO 160.1 MILLION****GROSS ADDS OF 27.8 MILLION DURING THE QUARTER****WORLD'S FASTEST GROWING DIGITAL SERVICES PLATFORM****DATA CONSUMPTION AT RECORD 431 CRORE GB IN THE QUARTER;****14% GROWTH OVER TRAILING QUARTER IN DATA CONSUMPTION****MOST COST EFFICIENT DIGITAL SERVICES PLATFORM GLOBALLY****HIGHLIGHTS OF QUARTER'S PERFORMANCE (STANDALONE)**

(In ₹ Crore)	3Q FY18	2Q FY18	Growth (3Q FY18 over 2Q FY18)
Value of Services	8,114	7,197	12.7%
Operating revenue	6,879	6,147	11.9%
EBITDA	2,628	1,443	82.1%
EBITDA Margin (%)	38.2%	23.5%	--
EBIT	1,436	260	453.1%
Net Profit	504	(271)	--

- Standalone revenue from operations of ₹ 6,879 crore (11.9% over trailing quarter)
- Standalone EBITDA of ₹ 2,628 crore (82.1% over trailing quarter) and EBITDA margin of 38.2% (trailing quarter at 23.5%)
- Standalone Net Profit of ₹ 504 crore
- Subscriber base as on 31<sup>st</sup> Dec-17 of 160.1 million
- Gross subscriber addition of 27.8 million; net subscriber addition of 21.5 million
- ARPU of ₹ 154 per subscriber per month
- Total wireless data traffic of 431 crore GB (9.6 GB per subscriber per month)
- Total voice traffic of 31,113 crore minutes
- Video consumption has crossed 200 crore hours per month on the network (13.4 hours of video consumption per subscriber per month)

Reliance Jio Infocomm Limited: CIN U72900MH2007PLC234712

Registered Office: 9<sup>th</sup> Floor, Maker Chambers IV, 222, Nariman Point, Mumbai – 400 021, Maharashtra, India.

Tel no: 022-22785000, www.jio.com



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- Consolidated value of services of ₹ 8,136 crore (12.8% over trailing quarter) and consolidated EBIT of ₹ 1,441 crore (452.1% over trailing quarter)

**Commenting on the results, Shri Mukesh D. Ambani, Chairman and Managing Director, Reliance Industries Limited said:** *“I would like to thank all our customers for partnering with us in this revolution which has made India a global digital powerhouse. I congratulate all our employees and partners for the strong performance. Our commitment is to keep pushing newer innovative products which would radically transform customer lives and generate huge societal value.*

*Jio’s strong financial result reflects the fundamental strength of the business, significant efficiencies and right strategic initiatives. Jio has demonstrated that it can sustain its strong financial performance.”*

### **Strong Customer and Business Growth**

- Jio has continued its strong subscriber growth trend with gross adds during the quarter of 27.8 million (as against 19.5 million in the trailing quarter)
- Net additions for the quarter of 21.5 million (15.3 million in the trailing quarter)
- Jio continues to remain the fastest growing digital services company
- Jio subscribers continue to demonstrate high activity level with average data consumption per user per month of 9.6 GB and average voice consumption of 694 minutes per user per month; these are both highest in the industry and substantially higher than other operators
- Video consumption has crossed 200 crore hours per month on the network
- Customer churn at 1.4% per month is the lowest in the industry
- JioPhone has been launched successfully in the market
- Jio tariff plans offer highest value to customers

## **Superior Network Quality**

- Continued expansion of 4G network coverage and further deepening in existing areas
- On track to achieve 99% population coverage during the year
- Only network to deploy pan-India 4G across the 800MHz/ 1800MHz/ 2300MHz bands
- World's largest mobile data consumption network – first Exabyte network in the world
- Ranked fastest network over last 11 months by TRAI's MySpeed Analytics app (average download speed of 21.8 Mbps as per TRAI)
- Lowest call drop rate; 100% network availability

## **Largest Distribution and Service Network**

- Pan-India distribution channel with over 1 million retailers
- Continuous enablement of distribution channel through latest platforms and services
- Emphasis on digital channels showing customer acceptance
- MyJio is the most popular self-care app

## **Financial Performance Reflects Business Potential**

- Positive Net Profit in the second quarter of commercial operations
- Continued traction on customer usage and revenues
- Strong operating margins due to business efficiencies and scalable business model

## **Business Update**

Jio has built a next generation all-IP data network with latest 4G LTE technology. It is the only network built as a Mobile Video Network and providing Voice over LTE technology. Jio has built a future ready network which can easily deploy 5G and beyond technology in the last leg. Jio has created an eco-system comprising network, devices, applications and content, service experience and affordable tariffs for everyone to live the Jio Digital Life.



Jio has created a strong data network with infrastructure and backhaul for offering wireless services, wireline services, FTTH, Enterprise offering, IOT services and other digital services. These will lead to further data consumption on the network.

Jio continues its rapid ramp-up of subscriber base and as of 31<sup>st</sup> December 2017, there were 160.1 million subscribers on the network. This makes it India's largest wireless data subscriber base, with the gap widening from the other operators. With gross additions of 27.8 million during the quarter, Jio continues to have a dominant share of all the new LTE smartphones sold in the country. The growth in subscriber base is getting further accelerated through the launch of JioPhone, which has expanded the reach of Jio Digital Services to all the feature phone users as well. Reliance Retail Ltd is geared to increase capacity of supply of JioPhone, considering the tremendous response from Indians to embrace Digital Life.

Jio subscribers continue to demonstrate high activity level with average data consumption per user per month of 9.6 GB and average voice consumption of 694 minutes per user per month. These are both highest in the industry and substantially higher than the other operators. With more than 200 crore hours of high speed video consumption per month on the Jio network, Jio continues to be the world's largest mobile video network also.

Jio has been rated India's fastest network as per TRAI's MySpeed application continuously over the last 11 months. As per the most recent results on TRAI's MySpeed application, the average download speed on Jio network was at 21.8 Mbps, more than twice the network speed available on any other network.

Jio has revolutionised tariff plans in the industry by offering most value for its customers. It has launched innovative and simplified tariff plans that enable its customers to have unrestricted access of Jio Digital Life. During the quarter, Jio launched the "triple cashback offer", which provided customers substantial value with every recharge in addition to base entitlement of services. Jio offered various other schemes as well to encourage digital recharges and adoption of digital behaviour.

During the quarter, Jio signed definitive agreement for the acquisition of specified assets of Reliance Communications Limited ("RCOM") and its affiliates. Consequent to the agreement, Jio



or its nominees will acquire assets under four categories – Towers, Optic Fiber Cable Network (“OFC”), Spectrum and Media Convergence Nodes (“MCN”) from RCOM and its affiliates. These assets are strategic in nature and are expected to contribute significantly to the large scale roll-out of wireless and Fiber to Home and Enterprise services by RJIL. The acquisition is subject to receipt of requisite approvals from Governmental and regulatory authorities, consents from all lenders, release of all encumbrances on the said assets and other conditions precedent. The consideration is payable at completion and is subject to adjustments as specified in the agreement.

The Company continues to make progress for delivering Enterprise solutions and FTTH with beta trials initiated in a few locations. These services are being offered using the same integrated network and platforms.

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(₹ in crore, except per share data)

Particulars	Quarter Ended			Nine months Ended		Year Ended (Audited)
	31 <sup>st</sup> Dec'17	30 <sup>th</sup> Sep'17	31 <sup>st</sup> Dec'16	31 <sup>st</sup> Dec'17	31 <sup>st</sup> Dec'16	31 <sup>st</sup> Mar'17
<b>Income</b>						
Value of Services	8113.63	7197.08	0.01	15310.71	0.02	0.02
Service Tax/GST recovered	(1234.21)	(1050.02)	-	(2284.23)	-	-
<b>Revenue From Operations</b>	<b>6879.42</b>	<b>6147.06</b>	<b>0.01</b>	<b>13026.48</b>	<b>0.02</b>	<b>0.02</b>
Other Income	1.23	1.67	0.27	3.20	0.93	1.20
<b>Total Income</b>	<b>6880.65</b>	<b>6148.73</b>	<b>0.28</b>	<b>13029.68</b>	<b>0.95</b>	<b>1.22</b>
<b>Expenses</b>						
Network Operating Expenses	1736.79	1371.89	-	3108.68	-	-
Access Charges (Net)	1081.63	2139.88	-	3221.51	-	-
License Fees/Spectrum Charges	622.74	399.00	0.19	1021.97	1.56	1.72
Employee Benefits Expense	334.35	303.10	0.95	638.62	3.52	6.04
Finance Costs	663.82	673.38	0.23	1337.33	0.79	1.02
Depreciation and Amortisation Expense	1192.60	1183.88	1.26	2377.71	3.65	4.87
Selling and Distribution	269.68	260.84	0.61	551.48	1.13	17.88
Other expenses	207.23	230.57	4.92	446.90	11.75	17.60
<b>Total Expenses</b>	<b>6108.84</b>	<b>6562.54</b>	<b>8.16</b>	<b>12704.20</b>	<b>22.40</b>	<b>49.13</b>
<b>Profit before tax</b>	<b>771.81</b>	<b>(413.81)</b>	<b>(7.88)</b>	<b>325.48</b>	<b>(21.45)</b>	<b>(47.91)</b>
<b>Tax expense</b>						
Current Tax	69.46	-	-	69.46	-	-
Deferred Tax	197.97	(143.22)	(2.73)	43.49	(7.42)	(16.54)
<b>Net Profit for the period</b>	<b>504.38</b>	<b>(270.59)</b>	<b>(5.15)</b>	<b>212.53</b>	<b>(14.03)</b>	<b>(31.37)</b>
Other Comprehensive Income	-	-	-	-	-	-
<b>Total Comprehensive income for the period</b>	<b>504.38</b>	<b>(270.59)</b>	<b>(5.15)</b>	<b>212.53</b>	<b>(14.03)</b>	<b>(31.37)</b>
Earnings per Equity share of face value of ₹ 10/- each - Not annualised						
Basic	0.11	(0.06)	(0.001)	0.05	(0.003)	(0.01)
Diluted	0.05	(0.06)	(0.001)	0.02	(0.003)	(0.01)
Paid up Equity Share Capital, Equity Shares of ₹ 10/- each.	45000	45000	45000	45000	45000	45000
Other Equity						25,864

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## Notes

1. The Company has commenced commercial operations of its Wireless Telecommunication Network with effect from 1<sup>st</sup> July 2017.
2. Depreciation on Property, Plant and Equipment is provided on straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Amortization of Spectrum Fees and Depreciation on wireless telecommunications equipment and components is determined based on the expected pattern of consumption of the expected future economic benefits, in accordance with the applicable Accounting Standards.
3. The Company is mainly engaged in the business of providing Digital Services. All activities of the Company revolve around this main business. Accordingly the Company has single segment as per the requirements of Ind AS 108 - Operating Segment.
4. The Company has issued and allotted 400 crore 9% Non-Cumulative Optionally Convertible Preference Shares ('OCPS') (Series-IV) of ₹ 10/- each for cash, at a premium of ₹ 40 per OCPS aggregating ₹ 20,000 crore to Reliance Industries Limited, the holding company and as on 31<sup>st</sup> December, 2017, these shares (Series-IV) are paid up to the extent of ₹ 3,525 crore towards the face value and ₹ 14,100 crore towards the premium.
5. During the quarter, the Company signed definitive agreement for the acquisition of specified assets of Reliance Communications Limited ("RCOM") and its affiliates under four categories - Towers, Optic Fibre Cable Network, Spectrum and Media Convergence Nodes. The acquisition is subject to receipt of requisite approvals from Governmental and regulatory authorities, consents from all lenders, release of all encumbrances on the said assets and other conditions precedent. The consideration is payable at completion and is subject to adjustments as specified in the agreement.
6. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on 19<sup>th</sup> January, 2018. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.