

RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS  
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2008

NET PROFIT UP BY 17.3% TO RS. 1,531 CRORE (US\$ 330 MILLION)

REVENUES HIGHER BY 23.3% AT RS. 5,645 CRORE (US\$ 1,215 MILLION)

EBITDA HIGHER BY 17.3% AT RS. 2,302 CRORE (US\$ 496 MILLION)

EBITDA MARGIN AT 40.8%

NET WORTH EXPANDS TO RS. 28,160 CRORE (US\$ 6 BILLION)  
AND NET DEBT-EQUITY RATIO PLACED AT A CONSERVATIVE 0.54 : 1

AGGRESSIVE NETWORK EXPANSION ACCELERATED WITH RS. 4,773 CRORE  
(US\$ 1 BILLION) CAPITAL EXPENDITURE DURING THE QUARTER

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**Mumbai, October 31, 2008:** Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the quarter ended September 30, 2008.

Highlights of the financial performance for the quarter are:

- **Net Profit of Rs. 1,531 crore (US\$ 330 million), higher by 17.3%** compared to Net Profit of Rs. 1,305 crore (US\$ 328 million) in the corresponding quarter last year.
- **EBITDA at Rs. 2,302 crore (US\$ 496 million), growth of 17.3%. EBITDA margin at 40.8%** with strong contributions across all businesses – Wireless, Global and Enterprise.
- **Revenue growth of 23.3% at Rs. 5,645 crore (US\$ 1,215 million)** from Rs. 4,579 crore (US\$ 1,152 million).
- **Return on Net Worth is 31.8%** reflecting improved resource utilization.
- **Shareholders Equity (Net Worth) increases to Rs. 28,160 crore (US\$ 6 billion)** – among the top three companies in India.
- **Conservative capital structure – Net Debt to Equity Ratio maintained at a conservative level of 0.54:1**, despite capex spend of Rs. 4,773 crore (US\$ 1 billion) during the quarter.

## CORPORATE DEVELOPMENTS

- **RCOM announced another unprecedented customer benefit "Lifetime Jaadu Pack"**

RCOM announced another customer friendly innovative offer "Lifetime Jaadu Pack". This offer is available to all lifetime validity customers. The subscribers need to recharge once with Lifetime Jaadu pack worth Rs. 550 to avail the discounted tariff of Re. 0.5/min for all local calls and Re. 1/min for all STD calls. The offer is valid to all calls made to any network at anytime in the day.

- **Reliance Communications to offer free laptop with Reliance Internet Data Card**

RCOM announced a strategic alliance with leading IT giants Acer, Asus, HCL, Intel, and Lenovo to offer branded laptops absolutely free with its hi-speed Internet data card service branded Reliance NetConnect. The initiative would offer a free laptop with unlimited Internet package with price as low as Rs. 1500 per month for two years with no hidden costs.

- **Launch of Reliance BIG TV**

RCOM launched its DTH services "BIG TV" on 19 August 2008. BIG TV acquired 500,000 subscribers within 60 days of launch. This is the fastest ramp up ever achieved by any DTH operator in the world. BIG TV would be tapping into the existing customer base of Reliance ADA Group companies to rapidly gain market share. The subscribers can enjoy over 200 channels, 32 on-demand channels, which is highest in the industry. The product is available initially in 1 lakh retail outlets across 6,500 towns.

### About Reliance Communications

Reliance Communications Limited founded by the late Shri. Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Anil Dhirubhai Ambani Group. The Reliance Anil Dhirubhai Ambani Group currently has a net worth in excess of Rs. 63,000 crore (US\$ 14 billion), cash flows of Rs. 12,000 crore (US\$ 3 billion), net profit of Rs. 8,000 crore (US\$ 2 billion) and zero net debt.

Rated among "Asia's Top 5 Most Valuable Telecom Companies", Reliance Communications is India's foremost and truly integrated telecommunications service provider. The company, with a customer base of over 60 million including over 1.7 million individual overseas retail customers, ranks among the Top 10 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 Indian and multinational corporations, and over 800 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 20,000 towns and 450,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 175,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results summary

(Rs. Crore)

Particulars	3 months ended 30/9/08	3 months ended 30/9/07	Increase / (Decrease)
Turnover			
Wireless	4,336	3,723	16.5%
Global	1,692	1,316	28.6%
Broadband	602	437	37.8%
Diversified	235	109	
<b>Total (post eliminations)</b>	<b>5,645</b>	<b>4,579</b>	<b>23.3%</b>
EBITDA			
Wireless	1,686	1,487	13.4%
Global	361	328	10.1%
Broadband	294	210	39.9%
Diversified	-20	-57	
<b>Total (post eliminations)</b>	<b>2,302</b>	<b>1,962</b>	<b>17.3%</b>
<i>EBITDA margin</i>	<i>40.8%</i>	<i>42.9%</i>	<i>-2.1ppt</i>
Depreciation	918	675	36.0%
Financial Charges (net)	-235	-113	
Exceptional items	65	-1220	
PBT	1,554	2,619	
Tax	-57	70	
PAT (before minority interest)	1,611	2,549	
Share of minority interest	80	1,245	
<b>PAT (after minority interest)</b>	<b>1,531</b>	<b>1,305</b>	<b>17.3%</b>