

Reliance Communications Limited

Anil Dhirubhai Ambani Group

website: www.rcom.co.in

Regd. Office : H Block, 1st Floor , Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

Unaudited Financial Results (Consolidated) for the Quarter and Six months ended 30th September, 2008

(Rs. in Lakh - Except EPS and Share data)

Sl. No.	Particulars	Quarter ended		Six months ended		Previous Accounting Year ended
		30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	31-Mar-08
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	a) Net Income from Operations	502,631	414,910	976,205	806,877	1,714,848
	b) Other Operating Income	50,925	40,419	100,298	73,235	167,891
	<b>Total</b>	<b>553,556</b>	<b>455,329</b>	<b>1,076,503</b>	<b>880,112</b>	<b>1,882,739</b>
<b>2</b>	<b>Expenditure</b>					
	a) Access Charges	53,663	68,286	116,552	135,308	281,965
	b) License Fee	29,577	29,170	58,279	59,018	123,864
	c) Employee Cost	45,886	30,557	81,055	55,198	116,752
	d) Depreciation and Amortisation	91,802	67,542	178,182	129,450	280,526
	e) Other Expenditure	205,216	133,649	385,665	261,084	562,671
	<b>Total</b>	<b>426,144</b>	<b>329,204</b>	<b>819,733</b>	<b>640,058</b>	<b>1,365,778</b>
<b>3</b>	<b>Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)</b>	<b>127,412</b>	<b>126,125</b>	<b>256,770</b>	<b>240,054</b>	<b>516,961</b>
4	Other Income	10,944	2,524	20,213	8,106	24,037
5	Amortisation of Compensation under Employee Stock Option Scheme	6,468	-	12,864	-	1,617
<b>6</b>	<b>Profit before Financial Charges and Exceptional Items (3 + 4 - 5)</b>	<b>131,888</b>	<b>128,649</b>	<b>264,119</b>	<b>248,160</b>	<b>539,381</b>
7	Financial Charges (Net)	(23,525)	(11,245)	(46,922)	(23,986)	(39,970)
<b>8</b>	<b>Profit after Financial Charges but before Exceptional Items (6 - 7)</b>	<b>155,413</b>	<b>139,894</b>	<b>311,041</b>	<b>272,146</b>	<b>579,351</b>
9	Exceptional Items	-	122,026	-	122,173	128,278
<b>10</b>	<b>Profit from Ordinary Activities before Tax ( 8+9 )</b>	<b>155,413</b>	<b>261,920</b>	<b>311,041</b>	<b>394,319</b>	<b>707,629</b>
11	Tax Expenses	(5,667)	6,982	(7,604)	17,296	28,362
<b>12</b>	<b>Profit from Ordinary Activities after Tax (10 - 11)</b>	<b>161,080</b>	<b>254,938</b>	<b>318,645</b>	<b>377,023</b>	<b>679,267</b>
13	Extraordinary Items (net of tax expense)	-	-	-	-	-
<b>14</b>	<b>Net Profit for the period (12-13)</b>	<b>161,080</b>	<b>254,938</b>	<b>318,645</b>	<b>377,023</b>	<b>679,267</b>
15	Share of Minority Interest	7,979	124,442	14,283	124,442	139,006
16	Share of Associates	23	39	69	80	147
<b>17</b>	<b>Net Profit after Adjustment of share of Minority Interest and Associates (14-15-16)</b>	<b>153,078</b>	<b>130,457</b>	<b>304,293</b>	<b>252,501</b>	<b>540,114</b>
18	Paid-up Equity Share Capital (Face Value of Rs.5 each)	103,201	102,231	103,201	102,231	103,201
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	2,799,432
<b>20</b>	<b>Earning per Share (EPS) before and after Extraordinary Items (not annualised)</b>					
	- Basic (Rs.)	7.42	6.38	14.74	12.35	26.32
	- Diluted (Rs.)	7.02	6.05	13.95	11.70	23.22
21	Public Shareholding					
	Number of Shares	699,215,821	679,803,930	699,215,821	679,803,930	699,215,821
	Percentage of Shareholding	33.88%	33.25%	33.88%	33.25%	33.88%

**Segment wise Revenue, Results and Capital Employed**

(Rs. in Lakh)

Sl. No.	Particulars	Quarter ended		Six months ended		Previous Accounting Year ended
		30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07	31-Mar-08
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>22</b>	<b>Segment Revenue</b>					
	a) Wireless	433,561	372,308	845,428	709,605	1,521,354
	b) Global	169,149	131,609	321,745	261,941	547,506
	c) Broadband	60,228	43,716	116,257	82,044	178,673
	d) Investments	9,095	2,051	17,245	5,855	15,269
	e) Others / Unallocated	14,365	8,815	20,589	14,910	27,782
	<b>Total</b>	<b>686,398</b>	<b>558,499</b>	<b>1,321,264</b>	<b>1,074,355</b>	<b>2,290,584</b>
	Less: Inter segment revenue	(121,898)	(100,646)	(224,548)	(186,137)	(383,808)
	<b>Income from Operations</b>	<b>564,500</b>	<b>457,853</b>	<b>1,096,716</b>	<b>888,218</b>	<b>1,906,776</b>
<b>23</b>	<b>Segment Results</b>					
	Profit / (Loss) before Tax and Financial Charges from each segment					
	a) Wireless	103,183	102,367	208,044	195,185	412,510
	b) Global	17,662	19,033	33,507	38,020	83,712
	c) Broadband	21,601	15,078	41,344	27,835	62,628
	d) Investments	9,095	2,051	17,245	5,855	15,263
	e) Others / Unallocated	(13,185)	(9,880)	(23,157)	(18,735)	(33,115)
	<b>Total</b>	<b>138,356</b>	<b>128,649</b>	<b>276,983</b>	<b>248,160</b>	<b>540,998</b>
	Less : Amortisation of Compensation under Employee Stock Option Scheme	6,468	-	12,864	-	1,617
	Less : Financial Charges (Net)	(23,525)	(11,245)	(46,922)	(23,986)	(39,970)
	Less : Exceptional Items	-	(122,026)	-	(122,173)	(128,278)
	<b>Total Profit before Tax</b>	<b>155,413</b>	<b>261,920</b>	<b>311,041</b>	<b>394,319</b>	<b>707,629</b>
<b>24</b>	<b>Capital Employed</b>					
	(Segment assets - Segment liabilities)					
	a) Wireless	3,688,908	1,942,258	3,688,908	1,942,258	2,994,820
	b) Global	867,845	547,671	867,845	547,671	859,994
	c) Broadband	475,480	322,669	475,480	322,669	429,040
	d) Investments	808,035	1,146,704	808,035	1,146,704	1,138,100
	e) Others / Unallocated	508,114	454,602	508,114	454,602	316,218
	<b>Total</b>	<b>6,348,382</b>	<b>4,413,904</b>	<b>6,348,382</b>	<b>4,413,904</b>	<b>5,738,172</b>

## NOTES

- 1 Figures of the previous period have been regrouped and reclassified, wherever required.
- 2 The Company is pursuing aggressive capex plans which include significant expansion of nation wide wireless network. The Company has funded these initiatives primarily by long – term borrowings in foreign currency and Foreign Currency Convertible Bonds (FCCBs). In compliance of Schedule VI of the Companies Act,1956 and on the basis of legal advice received by the Company, short term quarterly and six months' fluctuations in foreign exchange rates related to such liabilities and borrowings, related to acquisition of fixed assets, are adjusted in the carrying cost of fixed assets. Had the accounting treatment as per AS 11 been continued to be followed by the Company, the net profit after tax for the quarter and six months ended 30th September, 2008 would have been lower by Rs. 28,418 lakh and Rs.39,300 lakh for realised and Rs. 145,190 lakh and Rs. 240,688 lakh for unrealised currency exchange fluctuations respectively. This excludes an amount of Rs. 53,714 lakh and Rs. 93,626 lakh for the quarter and six months ended September, 2008 on FCCBs for which the Company will not be liable, if the FCCBs are converted on or before the due date i.e. 1st May, 2011 and 18th February, 2012.
- 3 The Company is operating with Wireless, Broadband, Global, Investments and Others / Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of Accounting Standard 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India.
- 4 The Company has opted to publish Consolidated financial results for the year 2008-09. Standalone financial results, for the quarter and six months ended 30th September, 2008 can be viewed on the website of the Company, National Stock Exchange of India Limited and Bombay Stock Exchange Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
- 5 No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 57 complaints were received and all the complaints were resolved.
- 6 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 31st October, 2008.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 31st October, 2008

**Anil D. Ambani**  
**Chairman**