

**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 Nine months ended 31st December, 2008**

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

Sl. No.	Particulars	Quarter ended		Nine months ended		Previous Accounting Year ended
		31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	31-Mar-08
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	a) Net Income from Operations	544,153	413,191	1,520,358	1,220,068	1,714,848
	b) Other Operating Income	23,029	64,435	123,327	137,670	167,891
	<b>Total</b>	<b>567,182</b>	<b>477,626</b>	<b>1,643,685</b>	<b>1,357,738</b>	<b>1,882,739</b>
2	<b>Expenditure</b>					
	a) Access Charges	56,334	78,210	172,886	213,518	281,965
	b) License Fee	30,592	33,674	88,871	92,692	123,864
	c) Employee Cost	42,957	30,872	124,012	86,070	116,752
	d) Depreciation and Amortisation	100,695	72,517	278,877	201,967	280,526
	e) Other Expenditure	219,888	134,023	605,553	395,099	562,671
	<b>Total</b>	<b>450,466</b>	<b>349,296</b>	<b>1,270,199</b>	<b>989,346</b>	<b>1,365,778</b>
3	<b>Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)</b>	<b>116,716</b>	<b>128,330</b>	<b>373,486</b>	<b>368,392</b>	<b>516,961</b>
4	Other Income	17,842	9,794	38,055	17,900	24,037
5	Amortisation of Compensation under Employee Stock Option Scheme	3,579	-	16,443	-	1,617
6	<b>Profit before Financial Charges and Exceptional Items (3 + 4 - 5)</b>	<b>130,979</b>	<b>138,124</b>	<b>395,098</b>	<b>386,292</b>	<b>539,381</b>
7	Financial Charges (Net)	(14,964)	(15,180)	(61,886)	(39,162)	(39,970)
8	<b>Profit after Financial Charges but before Exceptional Items (6 - 7)</b>	<b>145,943</b>	<b>153,304</b>	<b>456,984</b>	<b>425,454</b>	<b>579,351</b>
9	Exceptional Items	-	-	-	122,173	128,278
10	<b>Profit from Ordinary Activities before Tax (8 + 9)</b>	<b>145,943</b>	<b>153,304</b>	<b>456,984</b>	<b>547,627</b>	<b>707,629</b>
11	Tax Expenses	1,526	13,790	(6,078)	31,086	28,362
12	<b>Profit from Ordinary Activities after Tax (10 - 11)</b>	<b>144,417</b>	<b>139,514</b>	<b>463,062</b>	<b>516,541</b>	<b>679,267</b>
13	Extraordinary Items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit for the period (12 - 13)</b>	<b>144,417</b>	<b>139,514</b>	<b>463,062</b>	<b>516,541</b>	<b>679,267</b>
15	Share of Minority Interest	3,383	2,200	17,666	126,642	139,006
16	Share of Associates	3	31	72	111	147
17	<b>Net Profit after Adjustment of share of Minority Interest and Associates (14 - 15 - 16)</b>	<b>141,031</b>	<b>137,283</b>	<b>445,324</b>	<b>389,788</b>	<b>540,114</b>
18	Paid-up Equity Share Capital (Face Value of Rs. 5 each)	103,201	103,144	103,201	103,144	103,201
19	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	2,799,432
20	<b>Earning per Share (EPS) before and after Extraordinary Items (not annualised)</b>					
	- Basic (Rs.)	6.83	6.70	21.58	19.03	26.32
	- Diluted (Rs.)	6.49	6.36	20.44	18.07	23.22
21	Public Shareholding					
	Number of Shares	699,215,821	698,060,307	699,215,821	698,060,307	699,215,821
	Percentage of Shareholding	33.88%	33.84%	33.88%	33.84%	33.88%

## Segment wise Revenue, Results and Capital Employed

(Rs. in Lakh)

Sl. No.	Particulars	Quarter ended		Nine months ended		Previous Accounting Year ended
		31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07	31-Mar-08
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>22</b>	<b>Segment Revenue</b>					
	a) Wireless	441,194	395,665	1,286,622	1,105,270	1,521,354
	b) Global	167,831	132,994	489,576	394,935	547,506
	c) Broadband	65,417	45,635	181,674	127,678	178,673
	d) Investments	10,262	6,984	27,507	12,839	15,269
	e) Others / Unallocated	21,565	8,466	42,155	23,376	27,782
	<b>Total</b>	<b>706,269</b>	<b>589,744</b>	<b>2,027,534</b>	<b>1,664,098</b>	<b>2,290,584</b>
	Less: Inter segment revenue	(121,245)	(102,324)	(345,794)	(288,460)	(383,808)
	<b>Income from Operations</b>	<b>585,024</b>	<b>487,420</b>	<b>1,681,740</b>	<b>1,375,638</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	96,566	107,379	304,610	302,564	412,510
	b) Global	22,644	19,352	56,151	57,372	83,712
	c) Broadband	19,259	16,173	60,603	44,008	62,628
	d) Investments	10,262	6,984	27,507	12,839	15,263
	e) Others / Unallocated	(14,173)	(11,764)	(37,330)	(30,492)	(33,115)
	<b>Total</b>	<b>134,558</b>	<b>138,124</b>	<b>411,541</b>	<b>386,292</b>	<b>540,998</b>
	Less : Amortisation of Compensation under Employee Stock Option Scheme	3,579	-	16,443	-	1,617
	Less : Financial Charges (Net)	(14,964)	(15,180)	(61,886)	(39,162)	(39,970)
	Less : Exceptional Items	-	-	-	(122,173)	(128,278)
	<b>Total Profit before Tax</b>	<b>145,943</b>	<b>153,304</b>	<b>456,984</b>	<b>547,627</b>	<b>707,629</b>
<b>24</b>	<b>Capital Employed</b>					
	(Segment assets - Segment liabilities)					
	a) Wireless	3,911,295	2,584,009	3,911,295	2,584,009	2,994,820
	b) Global	1,068,261	931,680	1,068,261	931,680	859,994
	c) Broadband	525,681	370,941	525,681	370,941	429,040
	d) Investments	746,885	1,121,402	746,885	1,121,402	1,138,100
	e) Others / Unallocated	657,627	135,817	657,627	135,817	316,218
	<b>Total</b>	<b>6,909,749</b>	<b>5,143,849</b>	<b>6,909,749</b>	<b>5,143,849</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 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 Accounting Standard ('AS') 11 been continued to be followed by the Company, the net profit after tax for the quarter and nine months ended on 31st December, 2008 would have been lower by Rs.82,404 lakh and Rs.1,21,704 lakh for realised and higher by Rs. 5,357 lakh and lower by Rs.2,35,331 lakh for unrealised currency exchange fluctuations respectively. This excludes an amount of Rs. 21,048 lakh and Rs. 1,14,674 lakh for the quarter and nine months ended on 31st December, 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 During the quarter, the Company has bought back and cancelled 250 Foreign Currency Convertible Bonds (FCCBs) of the Face Value of USD 1,00,000 each, the purchase being with the approval of the Reserve Bank of India, at a discount to the Face Value. This has resulted in a saving of Rs. 6,375 lakh which has been reflected as part of Other Income. Consequent upon such buy back and cancellation, the Company's obligations to convert the said Bonds into Shares, if so claimed by the Bond Holders and/ or to redeem the same in foreign currency, has come to an end vis-à-vis the cancelled Bonds.
- 4 Consequent upon distribution by Reliance Communications Shareholders Trust of 79,804,053 equity shares having a face value of Rs. 5 each of Reliance Infratel Limited and 10,300,000 common shares having a face value of USD 0.01 each of Reliance Globalcom Limited, Bermuda (formerly known as Flag Telecom Group Limited), constituting 10% of the equity capital of each company, the Company's interest in each subsidiary has increased to the same extent.
- 5 During the quarter, Gateway Net Trading Private Limited, a Company engaged in agency business, has become a wholly owned subsidiary of the company, pursuant to acquisition of the balance interest in the Company.
- 6 During the quarter, the Company has announced the launch of operations offering Mobile Wireless Telecom Services through GSM Technology across India.
- 7 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 AS 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India.
- 8 The Company has opted to publish Consolidated financial results for the year 2008 - 2009. Standalone financial results, for the quarter and nine months ended 31st December, 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.
- 9 No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 121 complaints were received and all the complaints were resolved.
- 10 After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 23rd January, 2009.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 23rd January, 2009

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