

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

**CUSTOMER BASE AT 92 MILLION, UP 53.3%  
AGAINST 60 MILLION IN THE CORRESPONDING QUARTER LAST YEAR**

**REVENUE AT RS. 5,703 CRORE (US\$ 1,185 MILLION), UP 1.0%  
AGAINST RS. 5,645 CRORE (US\$ 1,215) IN THE CORRESPONDING QUARTER LAST YEAR**

**EBITDA AT RS. 2,020 CRORE (US\$ 420 MILLION)  
AGAINST RS. 2,302 CRORE (US\$ 496 MILLION) – DECLINE OF 12.2%**

**NET PROFIT RS. 1,023 CRORE (US\$ 213 MILLION) – DECLINE OF 33%  
BEFORE PROVIDING FX/DERIVATIVE MTM LOSSES OF RS. 283 CRORE (US\$ 59 MILLION)**

**NET PROFIT AFTER MTM PROVISIONS RS. 740 CRORE (US\$ 154 MILLION)  
– THESE MTM LOSSES ALREADY STAND FULLY RECOVERED IN OCTOBER 2009**

**WIRELESS REVENUES AND EBITDA MARGINS IMPACTED IN THE SHORT TERM BY:**  
– HIGHER COMPETITIVE INTENSITY  
– AGGRESSIVE INDUSTRYWIDE TARIFF RESTRUCTURING  
– HIGHER NETWORK AND OPERATIONAL COSTS OWING TO NATIONWIDE GSM ROLLOUT

**NON-WIRELESS EBITDA REPRESENTS 36% OF CONSOLIDATED EBITDA  
MAINTAINING STEADY GROWTH**

**LAUNCHED TRANSFORMATIONAL 'SIMPLY RELIANCE' TARIFF PLAN EARLY OCTOBER 2009  
REDEFINING TELECOM AFFORDABILITY AND REACH**

**SIGNED LONG TERM TELECOM INFRASTRUCTURE SHARING AGREEMENTS  
WITH MULTIPLE NEW AND EXISTING OPERATORS**

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**Mumbai, October 31, 2009:** Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the quarter and half year ended September 30, 2009.

Highlights of the financial performance for the year are:

- **Revenue at Rs. 5,703 crore** (US\$ 1,185 million) compared to Rs 5,645 crore (US\$ 1,215 million) in the corresponding quarter last year
- **EBITDA at Rs. 2,020 crore** (US\$ 420 million) compared to Rs 2,302 crore (US\$ 496 million) in the corresponding quarter last year
- **Profit after tax at Rs. 740 crore** (US\$ 154 million) compared to Rs 1,531 crore (US\$ 330 million) in the corresponding quarter last year

- Profit after tax would have been higher at **Rs. 1,023 crore** (US\$ 213 million) but for provision of FX/derivatives MTM losses of Rs. 283 crore (US\$ 59 million) – these losses stand fully recovered, based on subsequent favorable exchange rate movements.

Commenting on the results, **Mr Anil Dhirubhai Ambani, Chairman, Reliance Communications Limited, said:**

**"In the near term, the wireless sector in India is undergoing a challenging phase, with increased competitive intensity and continuing aggressive rebalancing of mobile tariffs by all leading players.**

**We believe a forward-looking and conducive regulatory framework by TRAI and DOT, which is already under consideration, to facilitate market driven industry consolidation will be a strong enabler to protect and create long term value for all stakeholders."**

#### **CORPORATE DEVELOPMENTS**

- **RCOM redefines Telecom pricing benchmarks, launched transformational initiative 'Simply Reliance'**

RCOM unveiled a bold new plan that will ignite the next revolutionary phase of growth and innovation in the Indian market. The Company rolled out a first of its kind plan called 'Simply Reliance'. This new tariff plan enables the Reliance subscriber to make a call at 50 paise per minute from any Reliance phone to any phone in India at anytime from anywhere in the country without any hidden monthly charges. This new tariff plan is applicable across all telecommunication products i.e. Mobile, Landline, CDMA, GSM, Pre-paid, Post-paid, Local, STD, Night Calling, Roaming and SMS.

- **RITL announced long term telecom infrastructure sharing agreement**

During the quarter, RITL signed long term agreements with Etisalat DB, S Tel, Shyam Sistema (MTS), Aircel and Tata Teleservices for sharing its telecom infrastructure. The deal provides our tenants the advantage of faster roll-out with the coverage comparable to the incumbents. The deal also enables our tenants to adopt an asset light model by converting most of the capex into opex. RCOM provides a comprehensive telecom infrastructure sharing services including tower infrastructure, transmission connectivity to the telecom sites, bandwidth/ fibre options, domestic and International long distance carriage services, collocation of BSC & other core network equipments.

- **Reliance Infratel filed DRHP with SEBI**

RITL filed Draft Red Hearing Prospectus (DRHP) with SEBI on September 24, 2009. RITL plans to raise equity capital through an initial public offering of 10.05% of the post-issue paid-up equity capital of the company amounting to 156,000,000 shares.

**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. 64,000 crore (US\$ 13.6 billion), cash flows of Rs. 13,000 crore (US\$ 2.8 billion), net profit of Rs. 8,400 crore (US\$ 1.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of 92 million including over 2.5 million individual overseas retail customers, ranks among the Top 5 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 24,000 towns and 600,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 190,000 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 30/9/09	3 months ended 30/9/08	Increase/ (decrease)
Revenue			
Wireless	4,010	4,336	-7.5%
Global	2,264	1,692	33.8%
Broadband	770	602	27.9%
Diversified	276	235	
<b>Total (post eliminations)</b>	<b>5,703</b>	<b>5,645</b>	<b>1.0%</b>
EBITDA			
Wireless	1,313	1,686	-22.1%
Global	523	361	44.9%
Broadband	320	294	8.8%
Diversified	-124	-20	
<b>Total (post eliminations)</b>	<b>2,020</b>	<b>2,302</b>	<b>-12.2%</b>
<i>EBITDA margin</i>	<i>35.4%</i>	<i>40.8%</i>	<i>-5.4ppt</i>
Depreciation	714	918	-22.2%
Financial Charges (net)	655	-235	
Exceptional items	3	65	
PBT	648	1,554	-58.3%
Tax	-174	-57	
PAT (before minority interest)	822	1,611	-49.0%
Share of minority interest	82	80	
<b>PAT (after minority interest)</b>	<b>740</b>	<b>1,531</b>	<b>-51.7%</b>