

RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009

NET PROFIT UP BY 9.4% TO RS. 5,908 CRORE (US\$ 1,165 MILLION)

REVENUES HIGHER BY 20.3% AT RS. 22,941 CRORE (US\$ 4,523 MILLION)

EBITDA HIGHER BY 13.3% AT RS. 9,288 CRORE (US\$ 1,831 MILLION)

EBITDA MARGIN STABLE AT 40.5%, AMONG THE HIGHEST IN INDIA

FAST TRACK NETWORK EXPANSION ACCELERATED WITH RS. 19,417 CRORE (US\$ 3.8
BILLION) CAPITAL EXPENDITURE DURING THE YEAR, 35% LOWER CAPEX THAN
ORIGINAL GUIDANCE OF RS. 30,000 CRORE

ONLY COMPANY TO HAVE NATIONWIDE GSM & CDMA SERVICES IN INDIA

SECOND LARGEST MOBILE OPERATOR IN INDIA WITH 73 MILLION SUBSCRIBERS

Mumbai, April 30, 2009: Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the year ended March 31, 2009.

Highlights of the financial performance for the year are:

- **Net Profit of Rs. 5,908 crore (US\$ 1,165 million), higher by 9.4%** compared to Net Profit of Rs. 5,401 crore (US\$ 1,350 million) in the last year.
- **EBITDA at Rs. 9,288 crore (US\$ 1,831 million), growth of 13.3%. EBITDA margin stable at 40.5%** with strong contributions across all businesses – Wireless, Global and Enterprise
- **Revenue growth of 20.3% at Rs. 22,941 crore (US\$ 4,523 million) from Rs. 19,068 crore (US\$ 4,765 million).**

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

"Reliance Communications have completed the World's largest network roll-out in FY2009 ahead of schedule and at a very competitive cost which is approx 35% lower than original guidance. We are confident of improved performance in the coming years."

CORPORATE DEVELOPMENTS

- **RCOM launched its GSM services all over India**

RCOM announced the world's largest customer experience program and launched GSM services in 11,000 towns all over India. RCOM has launched its GSM services in just 11 months from the receipt of start-up GSM spectrum in January 2008. RCOM added over 11.3 mn wireless subscribers during the quarter, an increase of 110% compared to the previous quarter and also increased its town coverage from 11,000 to 20,000 in just 3 months.

RCOM GSM is the state of the art next generation network with digital voice clarity and India's first nationwide enhanced EDGE network for fast internet access. RCOM GSM will also offer widest R-World mobile content offering entertainment, music, news, cricket, bollywood, maps and search and one-click set-up and access to email and social networking offering communication convenience of a PC.

- **RCOM announced India's fastest internet service "Netconnect Broadband Plus"**

RCOM recently rolled-out its fastest internet service "Broadband Plus" with the downlink speed of upto 3.1 Mbps which is 30% faster than any other wireless broadband offering. This makes Netconnect Broadband Plus best suited for video streaming, video surveillance, rich media content & superior Internet browsing. Netconnect Broadband Plus service will be available in 35 major cities with seamless handover to high speed 1x service covering 20,000 towns and 4.5 lakh villages as well as all major road and rail routes across the country covering 99% of India's Internet population.

- **Acquisition of Global Managed Network Services provider VANCO Group**

Reliance Globalcom, subsidiary of RCOM, signed an agreement to acquire Global Managed Network Services provider VANCO Group who have strong presence in developed markets with the annual revenue of US\$ 365 mn (Rs. 1,550 cr) through secure long-term contracts with large enterprise customers. VANCO have over 220 MNC customers which includes AVIS, British Airways, Siemens and Virgin Megastores. VANCO's services are available in over 40,000 locations across 163 countries. 90% of VANCO's revenue is from developed markets like UK, US, France and Germany.

FLAG's reach & capacity along with VANCO's long-term relationships & expertise would be a perfect combination to offer high margin value-added services to enterprise customers.

- **Reliance launched BIG TV, added 1.4 million DTH subscribers**

RCOM launched its DTH services "BIG TV" in August 2008. Within 90 days of launch, BIG TV acquired over 1 million subscribers. 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 in 1 lakh retail outlets across 6,500 towns.

- **RCOM repurchased its FCCBs at a discount**

RCOM has repurchased its zero coupon Foreign Currency Convertible Bonds (FCCBs) with face value of US\$ 64.7 million (approx Rs. 320 crore) in different tranches at a discount to their face value.

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.

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 77 million including over 2 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 (in Rs. Crore)

Particulars	3 months ended			12 months ended		
	31/3/09	31/3/08	% change	31/3/09	31/3/08	% change
Turnover						
Wireless	4,502	4,161	8.2%	17,368	15,214	14.2%
Global	1,880	1,526	23.2%	6,776	5,475	23.8%
Broadband	708	510	38.7%	2,524	1,787	41.3%
Diversified	313	68		1,010	431	
Total (post eliminations)	6,124	5,311	15.3%	22,941	19,068	20.3%
EBITDA						
Wireless	1,663	1,676	-0.8%	6,673	6,085	9.7%
Global	503	409	22.9%	1,617	1,403	15.2%
Broadband	316	249	26.8%	1,158	865	33.8%
Diversified	(98)	(12)		(128)	(122)	
Total (post eliminations)	2,383	2,316	2.9%	9,288	8,199	13.3%
EBITDA margin	38.9%	43.6%	-4.7 ppt	40.5%	43.0%	-2.5 ppt
Depreciation	1,143	786		3,931	2,805	
Financial Charges (net)	(168)	(8)		(787)	(400)	
Exceptional items	(157)	(62)		8	(1,282)	
PBT	1,565	1,600	-2.2%	6,136	7,076	-13.3%
Tax	48	(27)		(12)	283	
PAT (before minority interest)	1,517	1,627		6,148	6,793	
Share of minority interest	63	124		240	1,392	
PAT (after minority interest)	1,454	1,503	-3.2%	5,908	5,401	9.4%