

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

NET PROFIT HIGHER BY 8.3% AT RS. 1,637 CRORE (US\$ 342 MILLION)

REVENUES HIGHER BY 15.5% AT RS. 6,145 CRORE (US\$ 1,283 MILLION)

EBITDA HIGHER BY 9% AT RS. 2,453 CRORE (US\$ 512 MILLION)

EBITDA MARGIN STABLE AT 40%, AMONG THE HIGHEST IN INDIA

NET ADDS MARKET SHARE INCREASED FROM 18% TO 23% POST GSM LAUNCH  
HIGHEST NET ADDS MARKET SHARE IN THE INDUSTRY

RELIANCE MOBILE IS RATED AS INDIA'S MOST TRUSTED SERVICE BRAND: ET SURVEY

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**Mumbai, July 31, 2009:** Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the quarter ended June 30, 2009.

Highlights of the financial performance for the year are:

- **Net Profit at Rs. 1,637 crore** (US\$ 342 million), higher by 8.3% compared to Net Profit of Rs. 1,512 crore (US\$ 352 million) in the corresponding quarter last year.
- **EBITDA at Rs. 2,453 crore** (US\$ 512 million), **growth of 9.0%**. **EBITDA margin stable at 39.9%** with strong contributions across all businesses – Wireless, Global and Enterprise
- **Revenue growth of 15.5% at Rs. 6,145 crore** (US\$ 1,283 million) from Rs. 5,322 crore (US\$ 1,240 million).

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

"Successful commercial launch of nationwide GSM services and other new initiatives across all our businesses to drive profitable & sustainable growth at Reliance Communications."

## CORPORATE DEVELOPMENTS

- **RITL announced long term telecom infrastructure sharing agreement with Etisalat DB**

Reliance Infratel (RITL), subsidiary of RCOM signed a long term agreement with Etisalat DB, a new wireless mobile services provider for sharing its telecom infrastructure. The agreement will enhance RCOM's revenue by Rs. 10,000 crores (US\$ 2.2 bn) which includes revenue from sharing of end-to-end tower and transmission infrastructure. The geographical scope of the deal covers 15 telecom circles which constitutes over 85% of India's population and over 90% of subscribers and revenue market in India.

The deal provides Etisalat DB the advantage of faster roll-out with the coverage comparable to the incumbents. The deal also enables Etisalat DB to adopt an asset light model by converting most of the capex into opex. RCOM can potentially sign agreement for sharing other infrastructure elements like Bandwidth/Fibre, domestic and International long distance carriage services, collocation of BSC & other core network equipments which would be a further upside to this agreement.

- **RCOM KRIBHCO JV to forge rural marketing**

KRIBHCO Reliance Kisan Limited, JV Company is the first of its kind to bridge urban-rural divide. The JV will leverage KRIBHCO's wide distribution network which covers 72% of the Indian population through 25,000 co-operative, 6,300 member co-operative and 60 'Krishi Seva Kendras' to promote rural telephony in India. The JV will market telecom & non-telecom products and services in rural India which includes Reliance Mobile (GSM & CDMA) services and DTH services, products & services of Reliance Capital, Entertainment and other customised products for rural India.

- **RCOM Alcatel Lucent Managed Network Services JV**

RCOM Alcatel Lucent JV completed 1 year of operations with strong accomplishments. In just 1 year, the deal size of the JV crosses Rs. 3,600 crores and demonstrated its capability to achieve the operational cost saving of 20-25%. The JV manages RCOM's GSM & CDMA network covering 22 circles, 20,000 towns, 5 lakh villages catering to over 80 million customers. The JV is one of the largest multi-vendor managed services deal in the world and first for multi-technology managed services in India (both GSM & CDMA). The JV would continue to focus on process improvements and business development opportunities in India and globally.

- **Reliance Mobile is "India's most trusted service brand"**

Reliance Mobile is rated as "India's most trusted service brand" by Economic Times Brand Equity survey 2009.

**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 over 85 million including over 2.2 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 20,000 towns and 500,000 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 30/6/09	3 months ended 30/6/08	Increase / (Decrease)
Turnover			
Wireless	4,793	4,119	16.4%
Global	1,884	1,526	23.5%
Broadband	684	560	22.1%
Diversified	303	144	
<b>Total (post eliminations)</b>	<b>6,145</b>	<b>5,322</b>	<b>15.5%</b>
EBITDA			
Wireless	1,849	1,662	11.3%
Global	452	322	40.4%
Broadband	299	271	10.3%
Diversified	-138	0	
<b>Total (post eliminations)</b>	<b>2,453</b>	<b>2,250</b>	<b>9.0%</b>
<i>EBITDA margin</i>	<i>39.9%</i>	<i>42.3%</i>	<i>-2.4 ppt</i>
Depreciation	1,115	864	
Financial Charges (net)	-620	-234	
Exceptional items	11	64	
PBT	1,947	1,556	25.1%
Tax	226	-20	
PAT (before minority interest)	1,721	1,576	9.2%
Share of minority interest	84	64	
<b>PAT (after minority interest)</b>	<b>1,637</b>	<b>1,512</b>	<b>8.3%</b>