

**Reliance Communications Limited**

Anil Dhirubhai Ambani Group

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

**Unaudited Financial Results (Standalone) 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	315,395	305,617	951,072	934,480	1,270,643
	b) Other Operating Income	18,027	34,735	92,712	61,604	70,976
	<b>Total Income</b>	<b>333,422</b>	<b>340,352</b>	<b>1,043,784</b>	<b>996,084</b>	<b>1,341,619</b>
<b>2</b>	<b>Expenditure</b>					
	a) Access Charges	56,946	74,096	169,308	200,057	265,357
	b) License Fee	27,254	29,931	79,038	84,188	112,037
	c) Employee Cost	22,627	23,229	66,515	64,046	82,249
	d) Passive Infrastructure Charges	41,055	26,923	119,203	65,565	93,619
	e) Depreciation and Amortisation	61,781	49,253	167,480	137,620	184,366
	f) Other Expenses	98,792	80,199	285,559	221,888	298,495
	g) Total	308,455	283,631	887,103	773,364	1,036,123
<b>3</b>	<b>Profit from Operations before Other Income, Financial Charges and Exceptional Items (1-2)</b>	<b>24,967</b>	<b>56,721</b>	<b>156,681</b>	<b>222,720</b>	<b>305,496</b>
4	Other Income	6,451	730	6,713	888	1,046
5	Amortisation of Compensation under Employee Stock Option Scheme	3,579	-	16,443	-	1,617
<b>6</b>	<b>Profit before Financial Charges and Exceptional Items (3+4-5)</b>	<b>27,839</b>	<b>57,451</b>	<b>146,951</b>	<b>223,608</b>	<b>304,925</b>
7	Financial Charges (Net)	56,991	13,573	93,791	11,713	44,517
<b>8</b>	<b>Profit after Financial Charges but before Exceptional Items (6 - 7)</b>	<b>(29,152)</b>	<b>43,878</b>	<b>53,160</b>	<b>211,895</b>	<b>260,408</b>
9	Exceptional Items - Financial charges	(69,246)	-	(69,246)	-	-
<b>10</b>	<b>Profit from Ordinary Activities before Tax (8-9)</b>	<b>40,094</b>	<b>43,878</b>	<b>122,406</b>	<b>211,895</b>	<b>260,408</b>
11	Tax Expenses	390	230	1,090	4,393	1,764
<b>12</b>	<b>Profit from Ordinary Activities after Tax (10 - 11)</b>	<b>39,704</b>	<b>43,648</b>	<b>121,316</b>	<b>207,502</b>	<b>258,644</b>
13	Extraordinary Items (net of tax expense)	-	-	-	-	-
<b>14</b>	<b>Net Profit for the period (12-13)</b>	<b>39,704</b>	<b>43,648</b>	<b>121,316</b>	<b>207,502</b>	<b>258,644</b>
15	Paid-up Equity Share Capital (Face Value of Rs.5 each)	103,201	103,144	103,201	103,144	103,201
16	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year					2,380,797
<b>17</b>	<b>Earning per Share (EPS) (not annualised)</b>					
	i) Basic (Rs.)	1.92	2.12	5.88	10.13	12.60
	ii) Diluted (Rs.)	1.80	2.02	5.44	9.62	10.21
18	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 - 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
<b>19</b>	<b>Segment Revenue</b>					
	a) Wireless	259,427	277,716	813,158	807,194	1,085,553
	b) Global	106,515	96,718	311,557	294,735	391,770
	c) Broadband	42,822	29,105	124,155	83,593	116,522
	d) Others / Unallocated	6,451	729	6,713	887	1,047
	<b>Total</b>	<b>415,215</b>	<b>404,268</b>	<b>1,255,583</b>	<b>1,186,409</b>	<b>1,594,892</b>
	Less: Inter segment revenue	(75,342)	(63,186)	(205,086)	(189,437)	(252,227)
	<b>Net Income from Operations</b>	<b>339,873</b>	<b>341,082</b>	<b>1,050,497</b>	<b>996,972</b>	<b>1,342,665</b>
<b>20</b>	<b>Segment Results</b>					
	Profit / (Loss) before Tax and Financial Charges from each segment					
	a) Wireless	1,970	37,574	66,849	149,411	195,932
	b) Global	24,039	23,973	69,527	69,517	91,598
	c) Broadband	11,063	5,410	36,411	16,756	18,156
	d) Others / Unallocated	(5,654)	(9,506)	(9,393)	(12,076)	856
	<b>Total</b>	<b>31,418</b>	<b>57,451</b>	<b>163,394</b>	<b>223,608</b>	<b>306,542</b>
	Less : Amortisation of Compensation under Employee Stock Option Scheme	3,579	-	16,443	-	1,617
	Less : Financial Charges (Net)	56,991	13,573	93,791	11,713	44,517
	Less : Exceptional Items - Financial charges	(69,246)	-	(69,246)	-	-
	<b>Total Profit before Tax</b>	<b>40,094</b>	<b>43,878</b>	<b>122,406</b>	<b>211,895</b>	<b>260,408</b>
<b>21</b>	<b>Capital Employed</b>					
	(Segment assets - Segment liabilities)					
	a) Wireless	1,960,623	1,405,754	1,960,623	1,405,754	1,456,822
	b) Global	235,276	302,008	235,276	302,008	264,822
	c) Broadband	306,938	257,710	306,938	257,710	278,912
	d) Others / Unallocated	2,600,925	2,377,292	2,600,925	2,377,292	2,512,086
	<b>Total</b>	<b>5,103,762</b>	<b>4,342,764</b>	<b>5,103,762</b>	<b>4,342,764</b>	<b>4,512,642</b>

## **NOTES**

- 1 Figures of the previous periods 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 relate 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 31st December, 2008 would have been lower by Rs. 59,566 lakh and Rs. 84,837 lakh for realised and Rs. 2,757 lakh and Rs. 1,80,359 lakh for unrealised currency exchange fluctuation 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 FCCBs are converted on or before the due date i.e. 1st May, 2011 and 18th February, 2012. This matter was referred to by the auditors of the Company in their limited review report.
- 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 obligation 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 During the quarter, the Company has announced the launch of operations offering Mobile Wireless Telecom Services through GSM Technology across India.
- 5 The Company holds Redeemable Preference Shares of its subsidiaries, which are denominated in foreign currency. Such Preference Shares have been considered to be monetary assets for the purpose of AS 11, the Accounting Standard on "the Effects of Changes in Foreign Exchange Rates". As required by AS, the said monetary assets have been restated on the basis of the Closing Rate as on 31st December, 2008. The difference being financial charges of (Rs. 69,246 lakh) including Rs. 40,403 lakh relating to the year ending on 31st March, 2008 and Rs. 28,843 lakh relating to the period ending on 30th September, 2008 has been reflected under Exceptional Items.
- 6 The Company is operating with Wireless, Broadband, Global and Others / Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirements of AS 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India.
- 7 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.
- 8 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 and the same are subjected to limited review by the Statutory Auditors of the Company.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 23rd January, 2009.

**Anil D. Ambani**  
Chairman