

Mumbai, 7 June 2017: Commenting on the Credit Rating Actions by Moody's and Fitch on Tuesday, 6 June 2017, a Reliance Communications spokesperson said:

In May 2015, RCOM issued 6.5% coupon bearing USD bonds, maturing in November 2020, for an aggregate amount of **USD 300 million. These bonds constitute ~4% of the total debt of the Company. The bonds have always been serviced regularly on the due dates and are fully current in servicing, as on date.** The Company had stated, vide its notice to Stock Exchanges dated 24 May 2017, that the Company will continue to pay interest on the respective due dates, and the Bonds will be repaid on the due date of 6 November 2020.

The ratings by Moody's and Fitch apply only to these USD bonds. We respectfully disagree with the recent rating actions by both these agencies, and believe that these rating actions do not reflect the servicing track record of the Company.

The Rating Agencies have not given due credit to the advanced stage of the corporate transactions (Aircel merger and Tower sale) which are expected to deleverage the Company's balance sheet by ~USD 4 billion i.e. by ~ 60% within the next few months.

It appears that the recent positive development of the standstill period agreed by our lenders has been viewed negatively by the Rating Agencies on certain technical grounds, while in actual fact the same directly addresses their key concerns about the short term liquidity situation.

It may also be noted that in the year 2012, the Company had redeemed its Foreign Currency Convertible Bonds (FCCBs) aggregating USD 1 billion on the specified due date on maturity, at full redemption value, without a day's delay, despite severe volatility in global markets at that time.

About Reliance Communications

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Reliance Communications Limited founded by the late Shri Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Group. The Reliance Group currently has a net worth in excess of Rs. 100,840 crore (US \$15.2 billion), cash flows of over Rs 11,300 crore (US \$1.7 billion) and net profit of over Rs 5,100 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company has a customer base of nearly 95 million including over 2.6 million individual overseas retail customers. Reliance Communications corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 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 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 280,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia-Pacific region.

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