

Reliance Communications

Investor Presentation

February 2009

Forward looking statements – Important Note

This presentation and the discussion that follows may contain "forward looking statements" by Reliance Communications Ltd ("RCOM") that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the directors and management of RCOM about the business, industry and markets in which RCOM operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond RCOM's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of RCOM. In particular, such statements should not be regarded as a projection of future performance of RCOM. It should be noted that the actual performance or achievements of RCOM may vary significantly from such statements.

Contents

Reliance Communications – an integrated telco

- Wireless
 - Infratel
 - Globalcom
 - Enterprise
 - Home
- Key takeaways

India's leading fully integrated & Converged service provider...

Wireless

- Mobile (CDMA & GSM)
- VAS (Mobile World)
- Wireless Data
- Fixed Wireless
- Public Access Business

Tower (Infratel)

- Multi tenancy towers (4x)
- Pan- India coverage
- Backhaul
- Support systems

Globalcom

- Submarine cable (FLAG)
- Ethernet Data services
- Long Distance (NLD/ILD)
- Reliance Global Call
- Vanco
- Yipes

Enterprise

- Internet Data Center
- Broadband
- Leased Line
- Office Centrex
- MPLS & VPN
- WiMax

Home

- DTH (Big TV)
- IPTV (Digital Home)

Other businesses

Tech Services

- Leveraging Internal IT Development Capabilities

BPO

- Expertise in Telecom BFSI, Utilities & Media

Retail

- Reliance World
- Reliance Mobile Store



...Integrated play covering the entire value chain

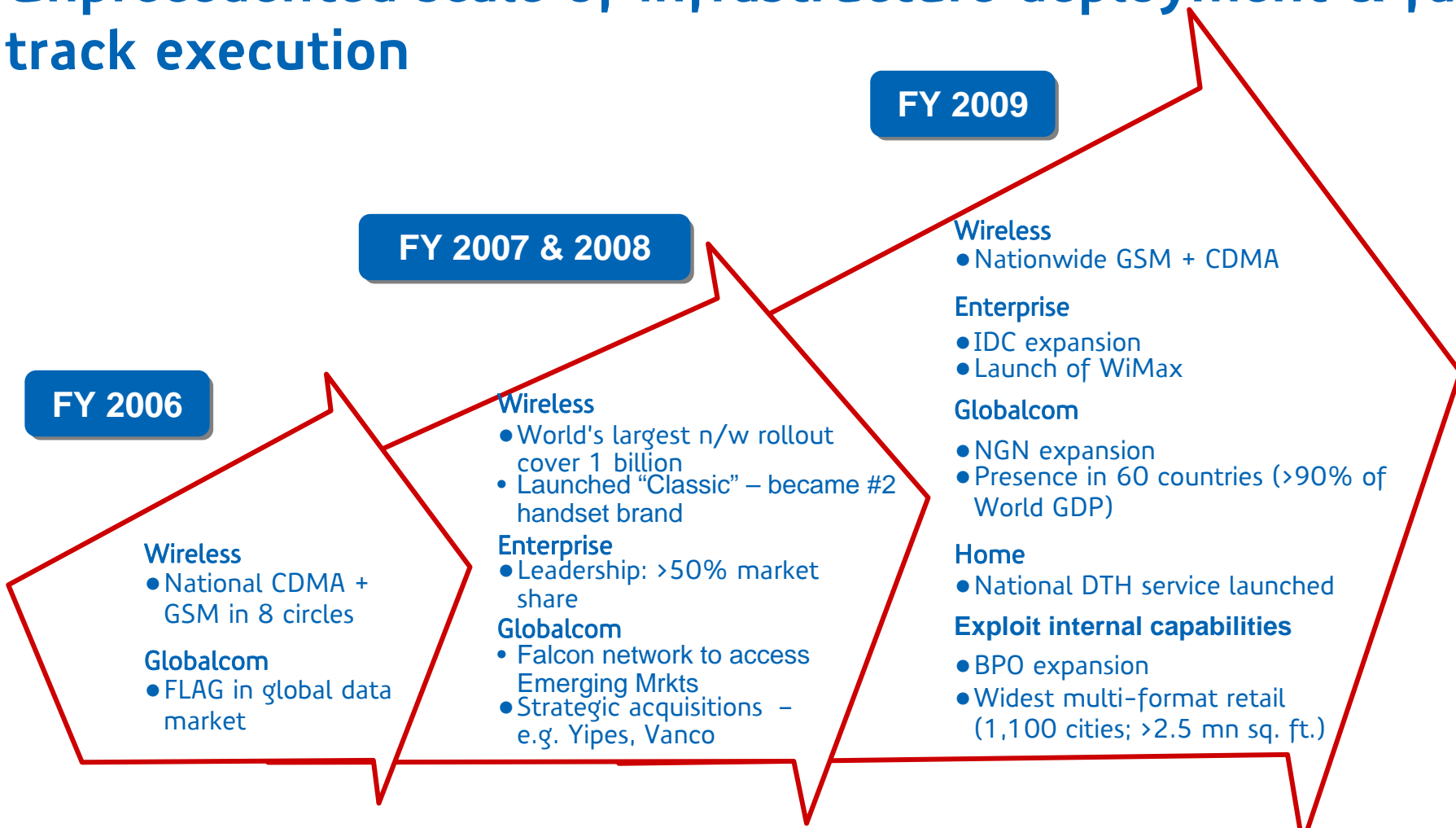
Reliance Communications: Leadership position

- ❑ 7th largest wireless operator in the world, 2nd largest in India
- ❑ Largest submarine cable network in the world with presence in 60 countries representing 90% of the world's GDP
- ❑ Largest wireless data operator in India with >50% market share
- ❑ Largest PCO operator in India with 2 mn call offices
- ❑ Largest Data center (IDC) service provider in India with over 60% market share



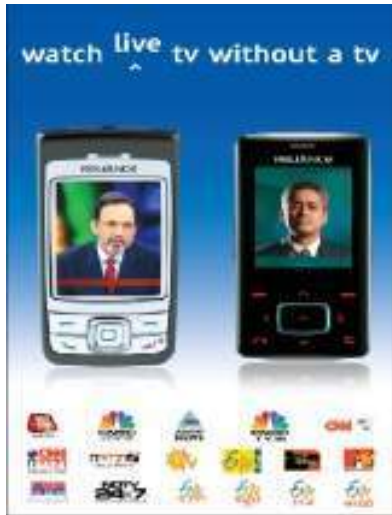
Note: Wireless operators ranking by customers in a single country

Unprecedented scale of infrastructure deployment & fast track execution



Rapid expansion and growth

Building leadership position across all screens



RELIANCE
Mobile



BIG TV
DTH SERVICE

BIG Cinemas
RELIANCE
Anil Dhirubhai Ambani Group



RELIANCE
Broadband



4 screen strategy

Recent performance

Financial Performance

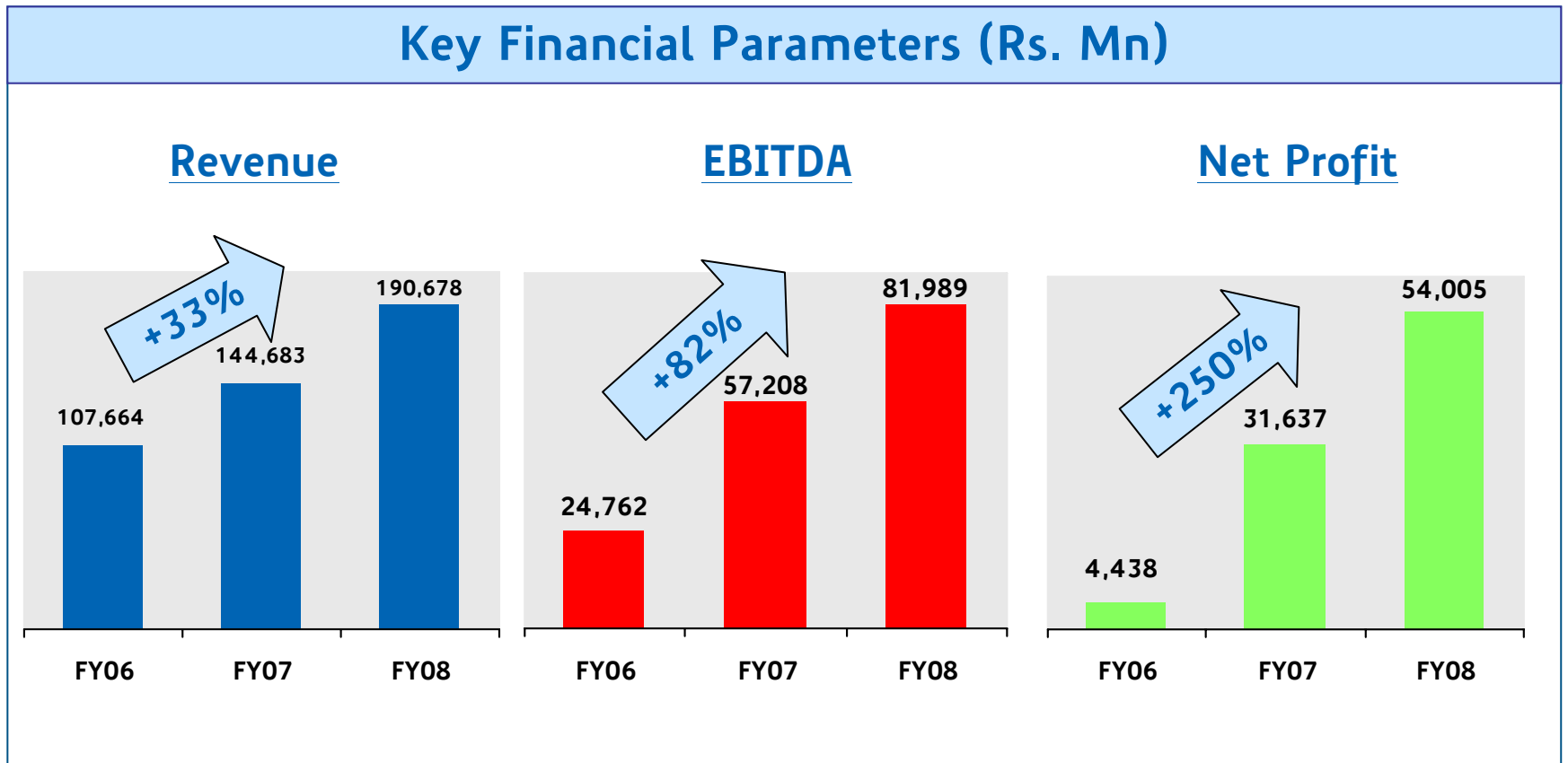
	3Q FY09	Q-o-Q	Y-o-Y
Revenue (Rs. Mn)	58,502	3.6%	20.0%
EBITDA (Rs. Mn)	23,525	2.2%	11.7%
Net Profit (Rs. Mn)	14,102	-7.9%	2.7%
EBITDA Margin	40.2%	-0.6ppt	-3.0ppt
Net Profit Margin	24.1%	-3.0ppt	-4.0ppt
Return on Network	33.3%		

Balance Sheet Strength

	(Rs. Mn)
Assets	880,000
Networth	290,000
Gross Debt	267,000
Net Debt	186,000
Net Debt to Equity (x)	0.64

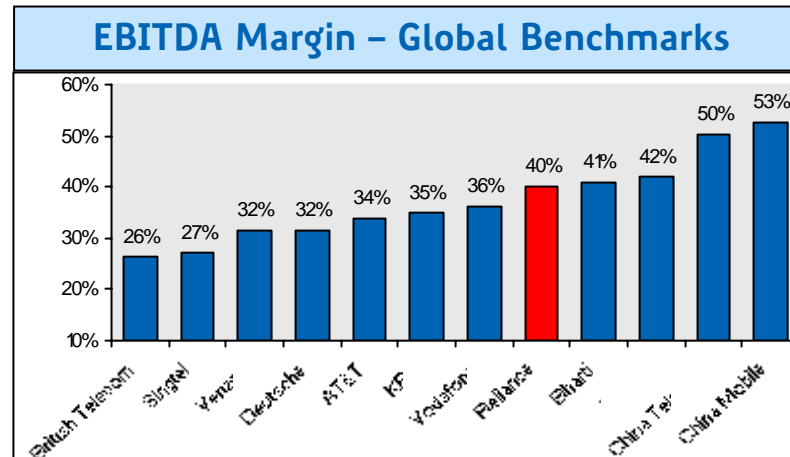
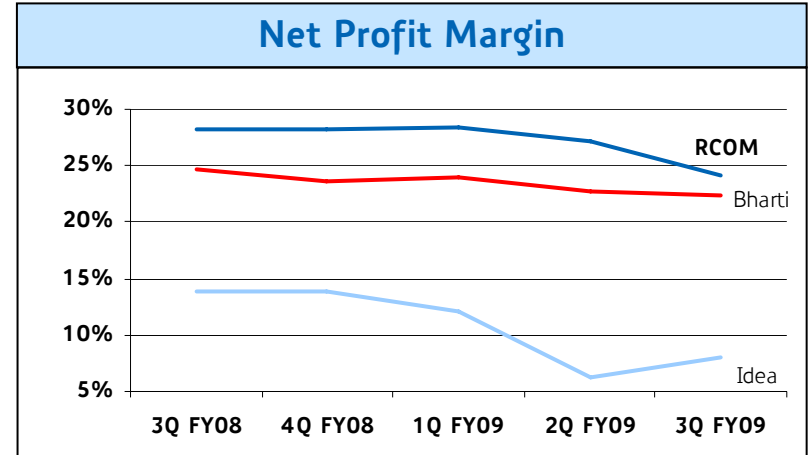
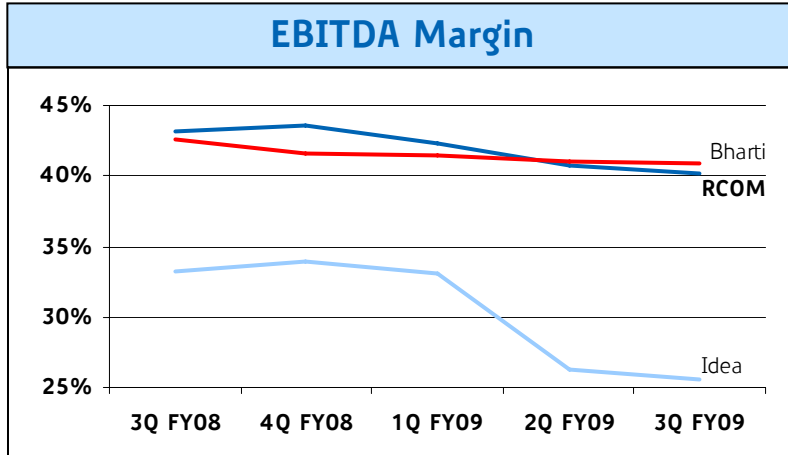
Maintaining the strong growth momentum

Financial Highlights



Consistent & Substantial increase in profitability

Key Performance Indicators



Source: Company Reports, Thomson Reuters

Among the best in Industry

Contents

- Reliance Communications – an integrated telco

- Wireless**

- Infratel

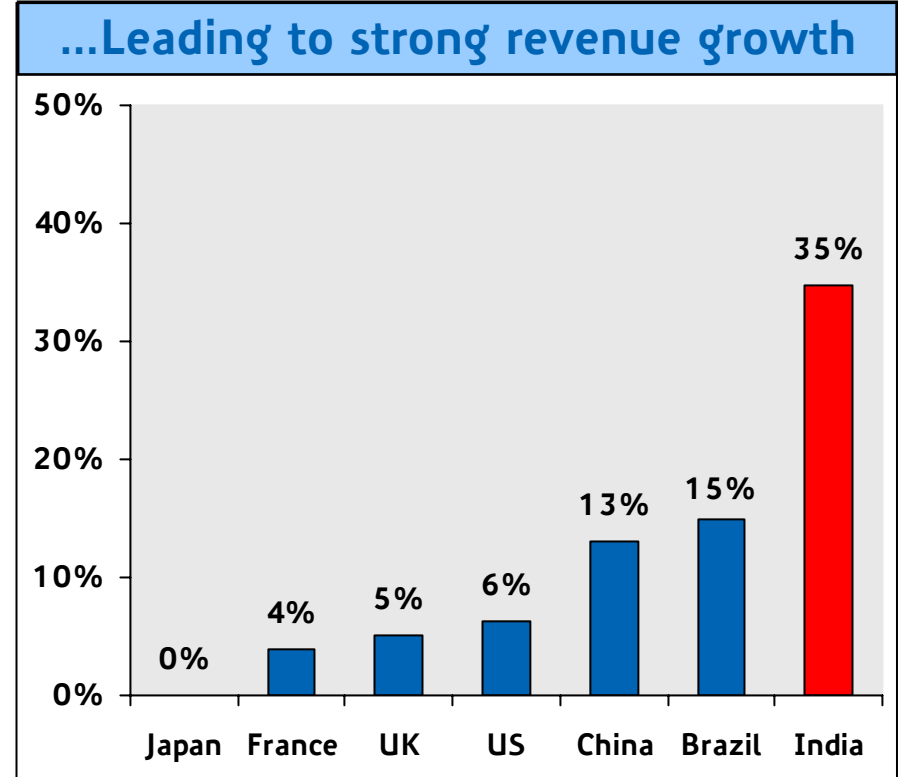
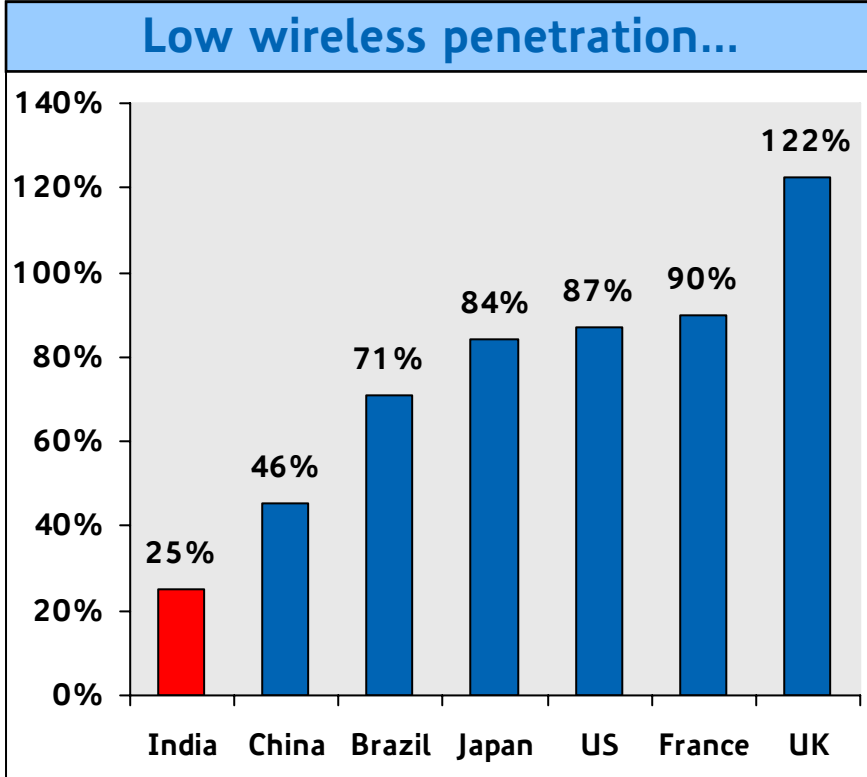
- Globalcom

- Enterprise

- Home

- Key takeaways

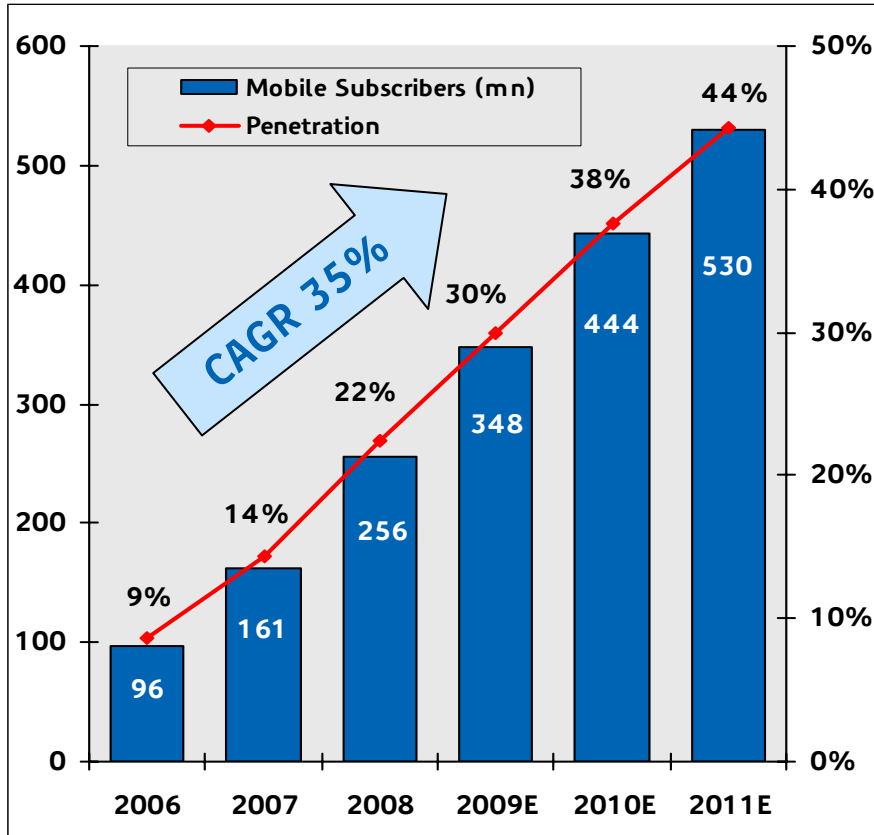
Targets the largest untapped population in the world



Source: Merrill Lynch Global Wireless Matrix, June 2008

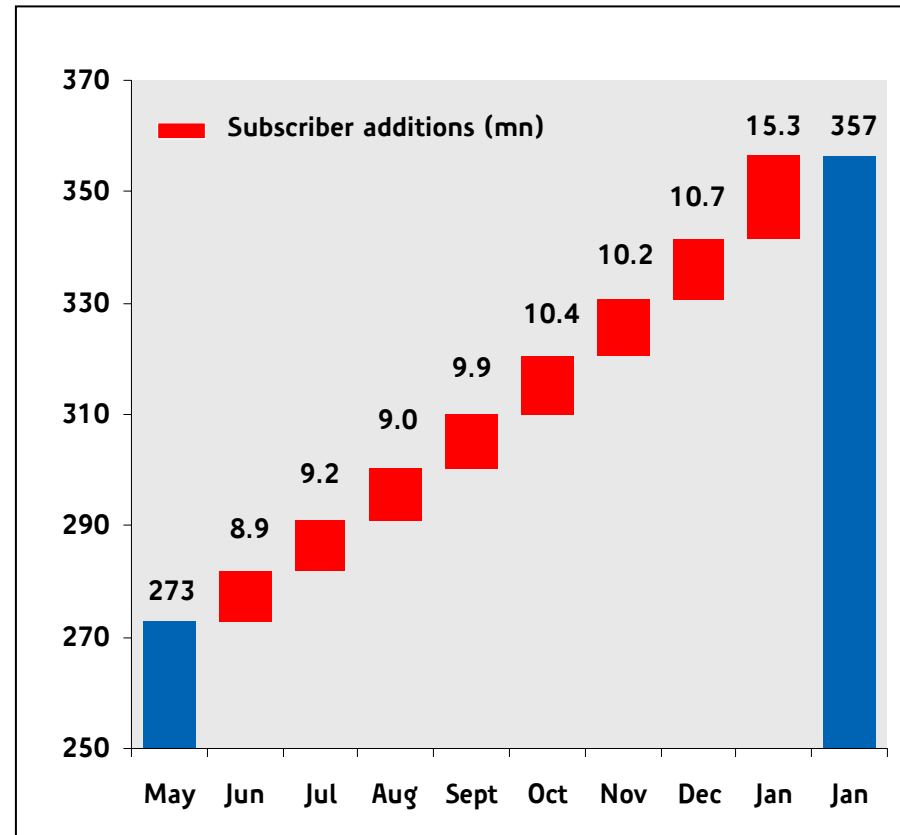
Low penetration + High Revenue growth = Huge opportunity

Mobile subscribers in India to cross 500 mn in 2 years...



Year end March 31

Source: Industry estimates



...even then there will be 700 mn unserved people in India

RCOM: One of the fastest growing wireless companies globally

- **Among India's top 2 operators with over 66 mn wireless subscribers**
 - Prepaid subscriber additions drive growth - 92% of total subscribers

- **Key Performance Indicators**
 - EBITDA margins among the highest in the industry - 38%...
 - ... despite among the lowest tariffs in the world...
 - ... backed by the highest Minutes Of Usage - 780 million minutes per day

bol India bol

Unlimited free - Local or STD

Prepaid	Local Unlimited 99	My Mobile Unlimited 499
JustRs 199		JustRs 499

RELIANCE Mobile

there's one for everyone.
Presenting a wide range of Reliance phones from
Rs. 777 to Rs. 18990
Available on all prepaid and postpaid plans

RELIANCE Mobile

1

*

Mobility



Wireless Data



Fixed Wireless



PCO



**Over 66 million
Happy**

**Market
in all segments**

... shall replicate success with nationwide GSM service

*CDMA



**24,000
Towns**

600,000 Villages

1 Billion Indians



CDMA

RELIANCE Mobile | **no limits | total network™**

India's No. 1 Network

40 million customers, 15,000 towns, 4 Lakh villages. And counting.

www.localnetwork.co.in

GSM

Seamless coverage wherever you go

India's billion people can now expect an unbeatable choice and value proposition across....

1. Coverage

2. Quality

3. Customer Choice

4. Handset Range

5. Service Breadth

6. Int'l Roaming

7. Value Added Services

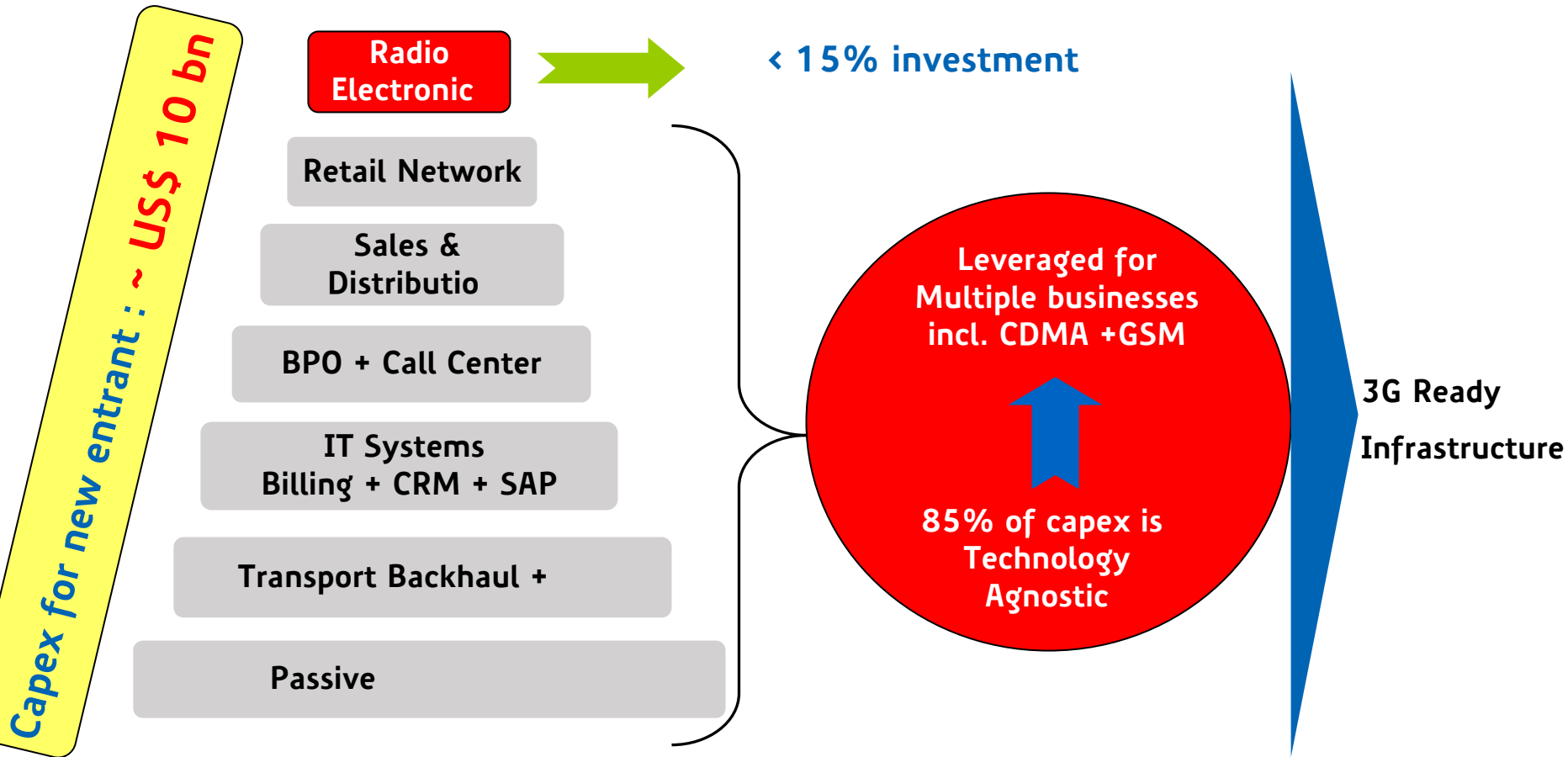
Reliance GSM – Set to redefine mobility landscape in India

Device choice to include both GSM and CDMA



Over 250 handset models across various brands

GSM network exploits huge capex and opex synergies



Nationwide GSM service at marginal incremental cost

Dual network offers additional market share levers

Existing growth momentum

- Industry monthly net adds of 7 - 8 mn GSM subscribers
- Impetus from network expansion in semi-urban/ rural areas



Cross technology On-net plans: Service offering

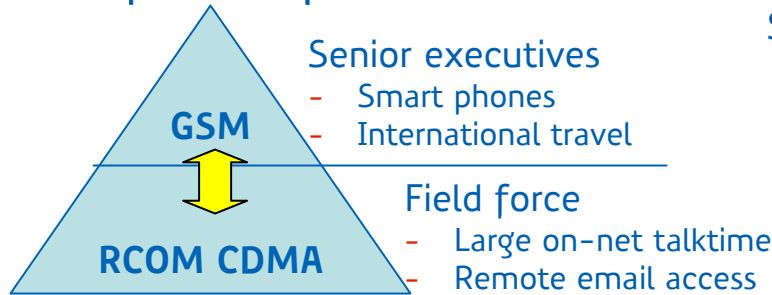


Mobile Number Portability (MNP)

Broad Market Segmentation

Corporate Requirement

Retail/Family Similar CUG family plans



RCOM will bring both segments on-net, driving customer value & stickiness

Customer churn

Probability

CDMA ↔

Low

Customer has invested in Handset

High

Customer neither loses number nor investment in Handset

Incumbent GSM → RCOM

Unique advantage: Competition can't replicate

Wireless Business: Market segmentation

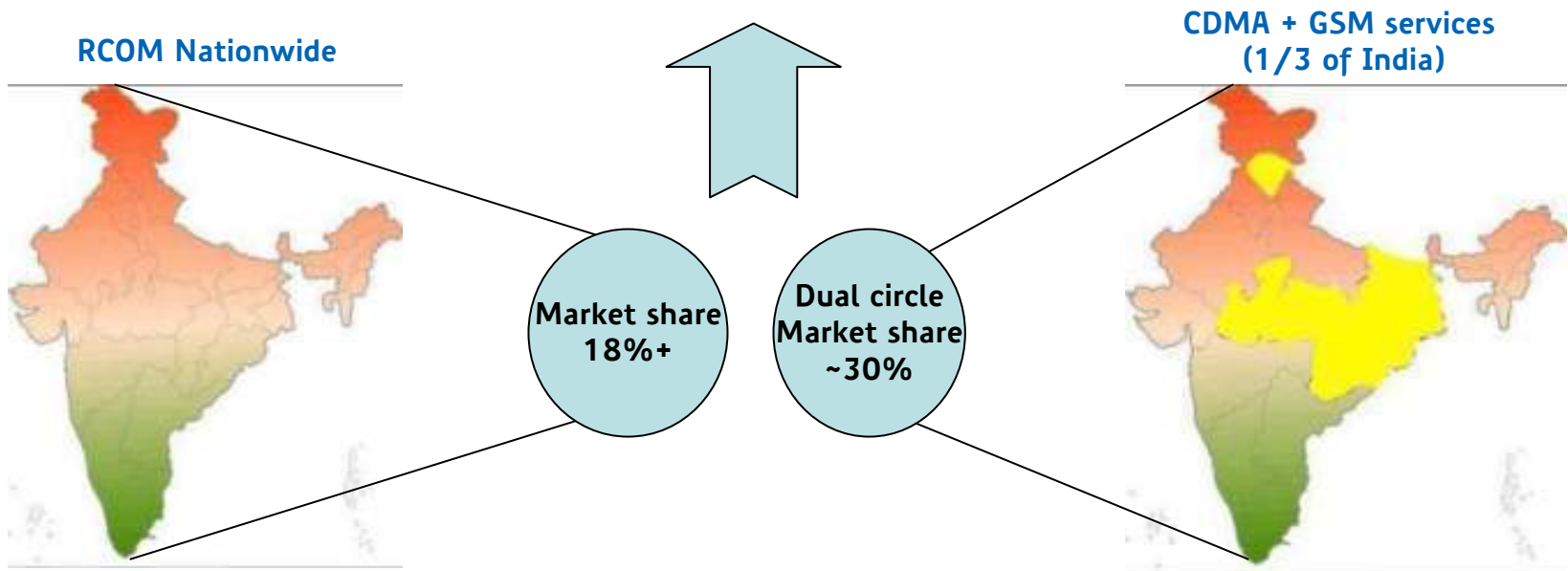


Light pockets	Low handset prices, Primarily incoming	GSM & CDMA
Enterprise	E-mail, Browsers, Office tools, Roaming	GSM
Lifestyle	Multimedia, Design (look & feel)	GSM
Anchored	Fixed wireless, Data speeds	CDMA
Data Users	Data speeds	CDMA
Value Seekers	Value seeker of Handset and Minutes	CDMA & GSM

Best positioned to serve all customer segments

Currently national CDMA + Regional GSM player

RCOM will replicate its dual service success nationwide



 Dual circles

#1 position in dual technology (CDMA & GSM) service areas

Drivers for additional revenue market share

International
in-roaming
revenue



VAS revenue



Thru GSM
Handsets
Ecosystem

- ❑ Participation in rapidly growing ~US\$ 1 bn international in-roaming market
 - ❑ Currently enjoyed by few GSM incumbents
 - ❑ Extremely profitable segment
-
- ❑ GSM non-voice revenue contribution ~10% with SMS contributing ~5% vs ~1.2% in CDMA
 - ❑ Attract high SMS/VAS usage groups who also look for trendy & sleek multimedia handsets
-
- ❑ Mid to High-end range handset users contribute higher ARPU (incl. international roamers)



Significant revenue upside from GSM launch

Multi-channel customer delivery system

- ❑ World-class design , fit out & ambience at 2,000 exclusive retail showrooms on High streets/Malls
- ❑ High Quality Reach & National footprint through 3,000 distributors & 600,000 retailers
- ❑ 5,000+ Direct & indirect outbound sales force to cater to customers at their premises
- ❑ Dimensioned to handle 25-30 mn sales transactions annually



By far the largest retail distribution network in the industry

Service Innovations: First to reach the market

Unlimited local & STD calls



bol India bol

Unlimited free - Local or STD

Prepaid	₹1000 / 1000	₹1000 / 1000
Postpaid	₹1000 / 1000	₹1000 / 1000

RELIANCE Mobile

Mobile TV



RELIANCE Mobile

watch live tv without a tv

RELIANCE Mobile

watch live tv without a tv

Yahoo on Reliance



HELLO

RELIANCE Mobile

Micro-billing



RELIANCE Mobile

ek rupaiya mein no entry

Call: 0224 909. Set your caller tune for Rs.1

Internet on the move



make your laptop truly mobile

unbelievable gifts with Reliance data card at ₹1,399/- only

RELIANCE Netconnect

MBlog



blog on the move

RELIANCE Mobile

MBanking



RELIANCE Mobile

MPay

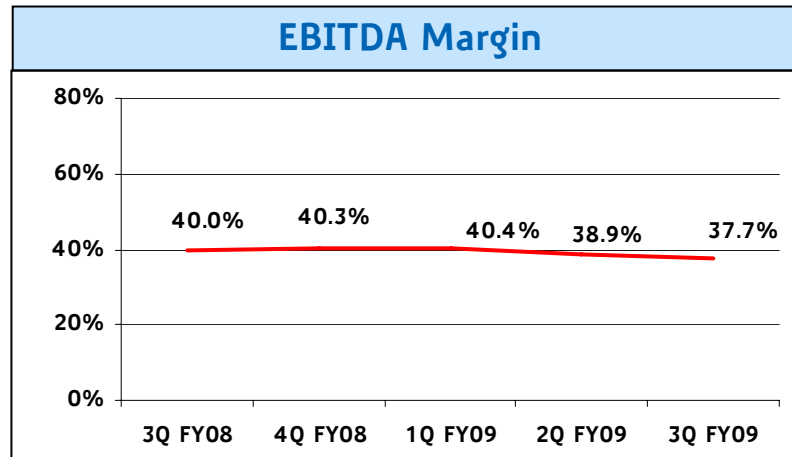
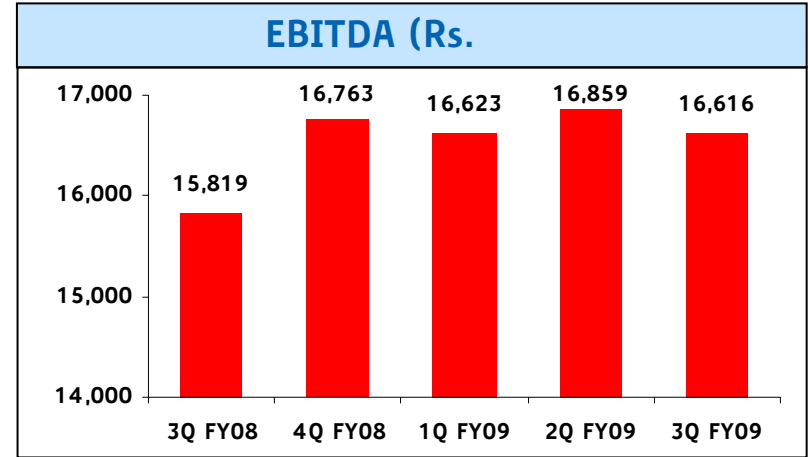
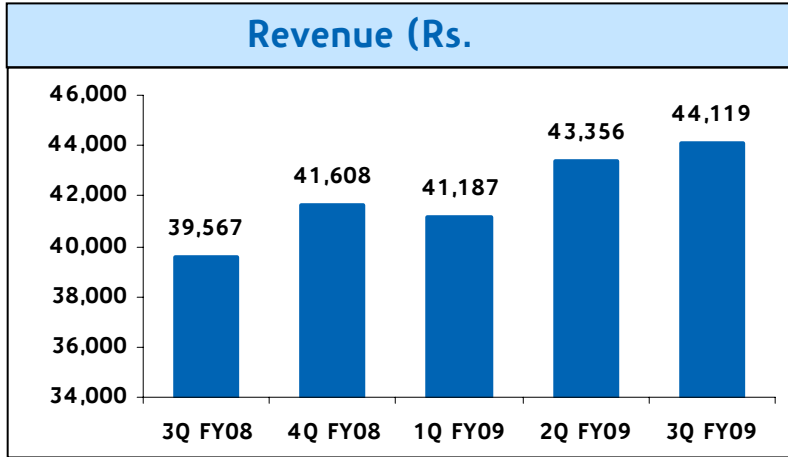


RELIANCE mPay

MPay Bank Choice Card

VISA

Financial Performance



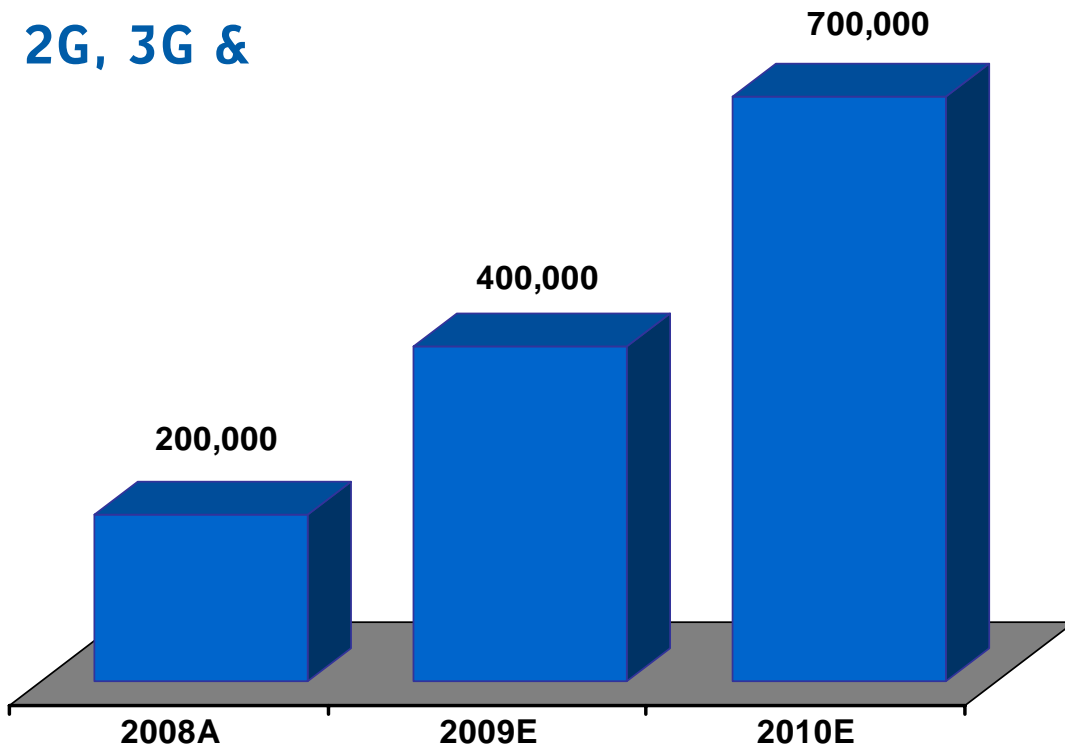
Maintained growth momentum with stable margins

Contents

- Reliance Communications – an integrated telco
 - Wireless
 - Enterprise
 - Home
 - Infratel
 - Globalcom
- Key takeaways

Infrastructure Tenancy Slots – Market

2G, 3G &



Source: Industry Estimates

RITL Ground based tower



RITL Roof top tower

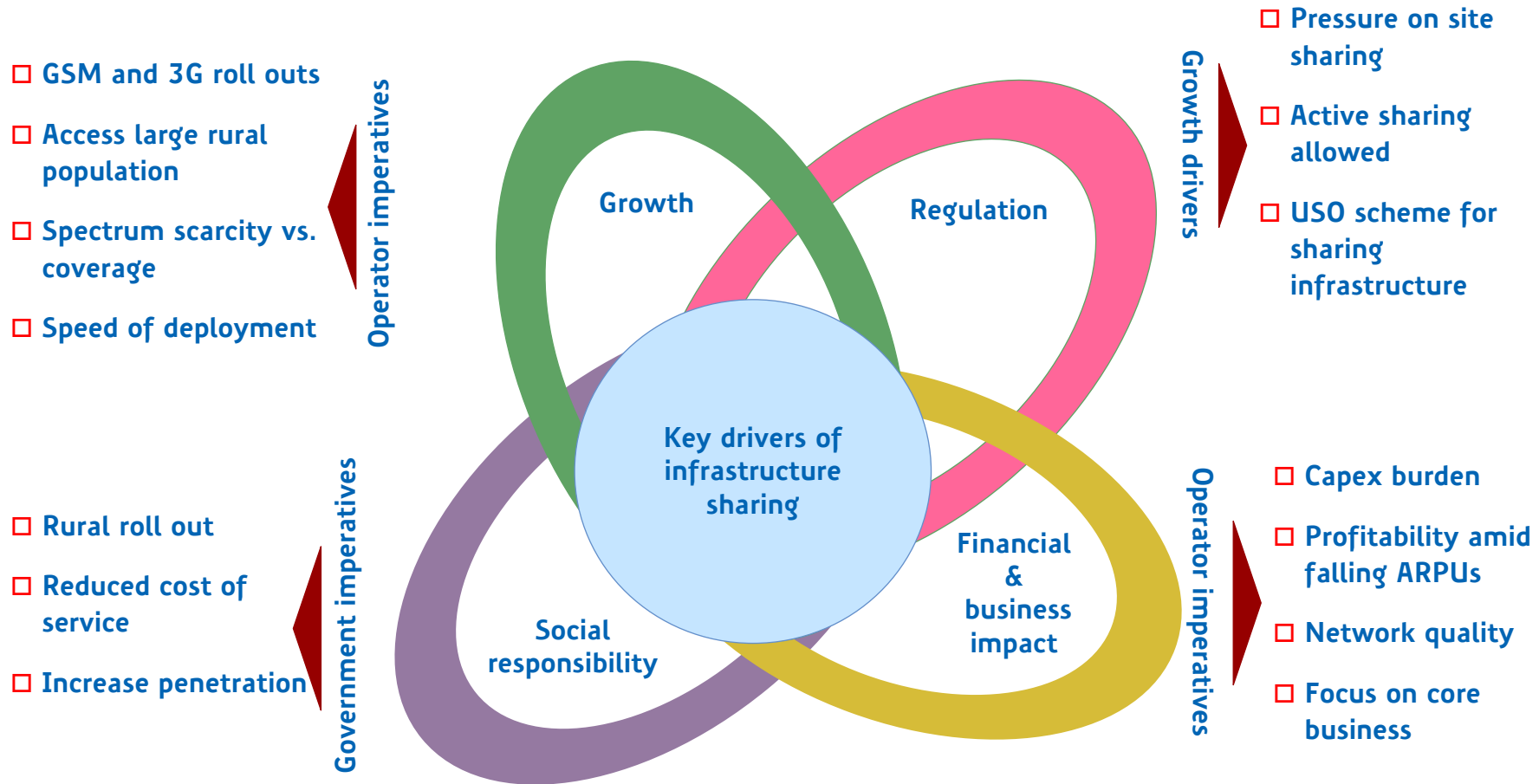


Infrastructure overview

- ❑ Operational in all 22 circles
- ❑ ~31,000 multi-tenancy towers as on March 31, 2008. Aiming to have ~55,000 multi-tenancy towers by mid-2009
- ❑ Anchor customer (Reliance Communications) driven strategy
- ❑ Current captive tenancy of 1.3, shall increase to 1.7 after GSM launch; will further increase by 3rd party (external) tenant
- ❑ Financial performance (FY2008)
 - Revenue: Rs. 14,566 mn
 - EBITDA: Rs. 6,746 mn; Margins: 46.3%
 - Total Assets: Rs. 117,205 mn

Aim to be a preferred infrastructure provider for new operators

Infrastructure sharing has taken off



Infrastructure sharing – All drivers are in place

Contents

Reliance Communications – an integrated telco

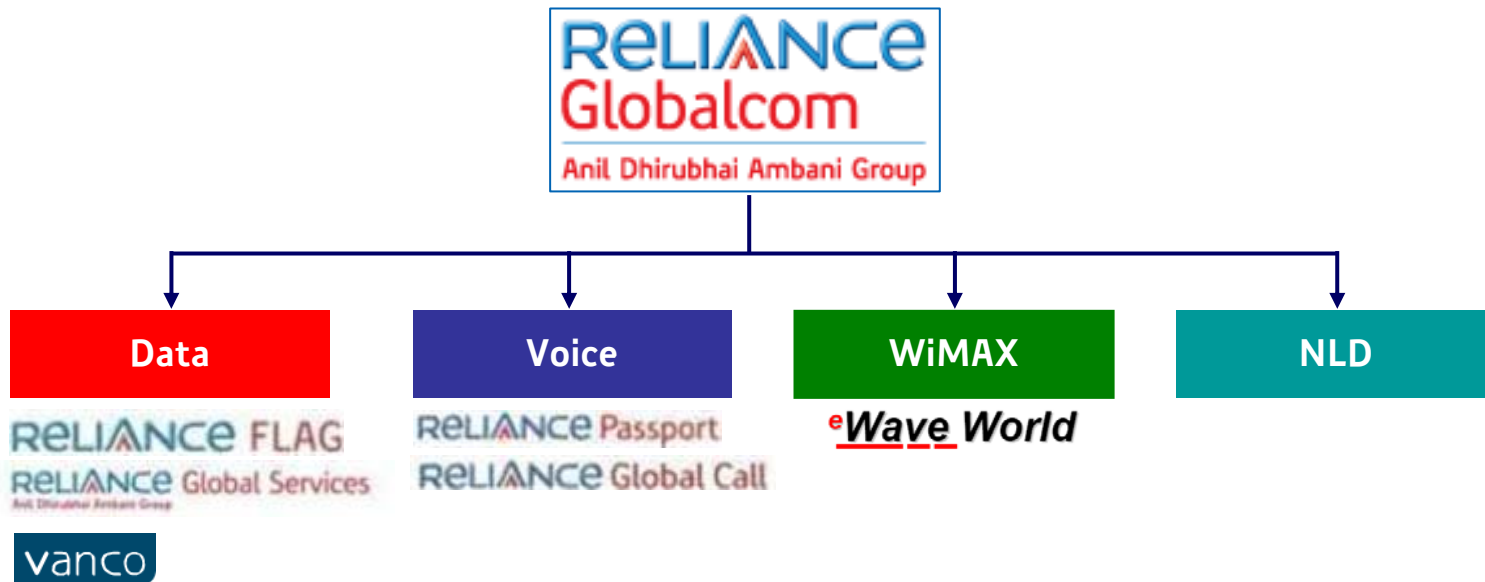
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Globalcom

Key takeaways

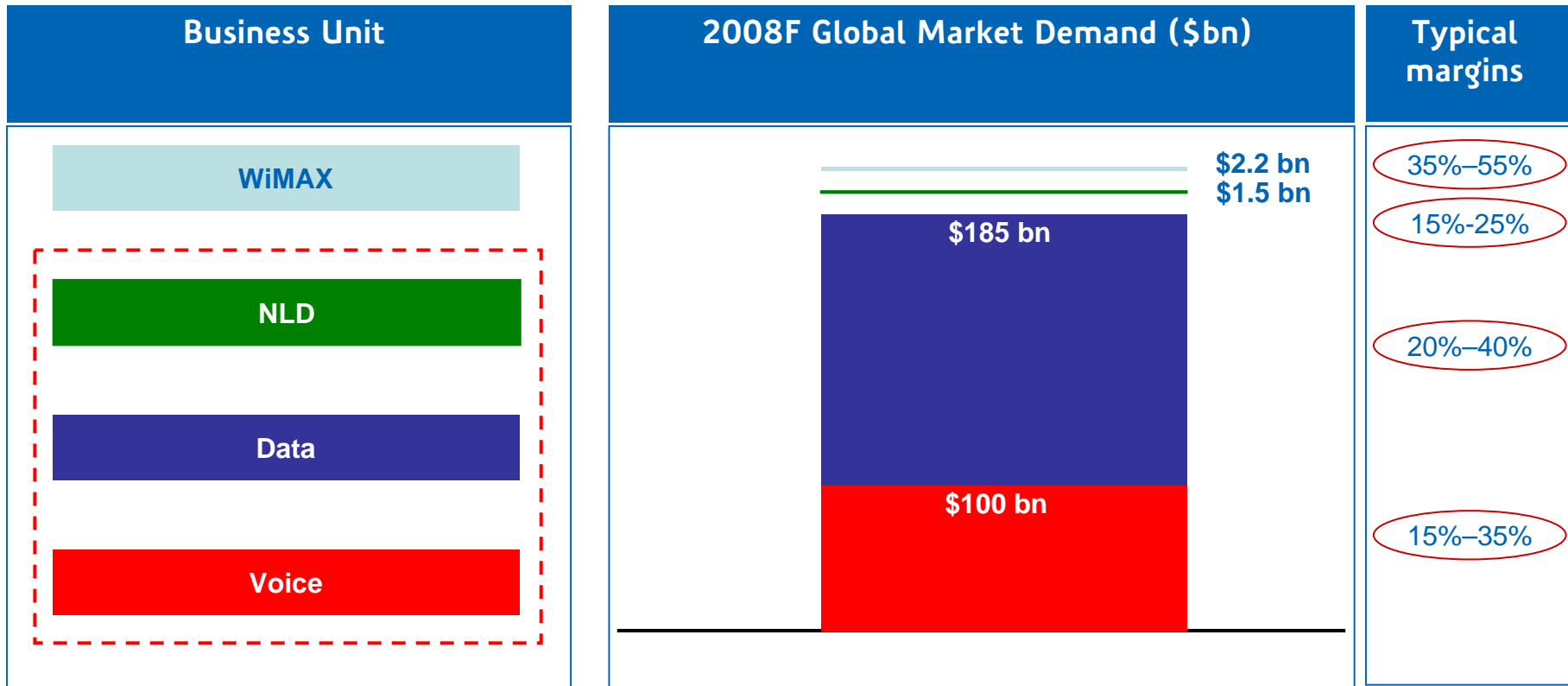
Business structure

- Completed restructuring of our services under four core business segments of Data, Voice, WiMax and NLD



Accelerate growth into \$290 Billion communications market by providing comprehensive voice, video & data network services

Market potential



Sources: Telegeography, Ovum, Gartner Research

Addressable market revenue is ~US\$ 290 bn with EBITDA in range of 15% to 55% based on service and geography

Voice Business

Global Reach

- ❑ Retail services in U.S., Canada, U.K., Australia, New Zealand, Hong Kong and Malaysia.
- ❑ Reliance Global Call offers Calling services for 200 countries across the globe.



Innovative Product Suite

- ❑ Reliance Global Call
 - International Calling Service
 - Web based service delivery, fulfillment
- ❑ Reliance Passport
 - Single SIM for 110 countries with free incoming calls in 57 countries



RELIANCE
Global Call

Leadership Position

- ❑ Market share of 30% for ILD wholesale inbound traffic
- ❑ Over 2 million customers for Reliance Global Call service.
- ❑ Usage of Reliance Global Call accounts for 40% of total retail market calls from the United States to India.

Market leader in International Long Distance

Voice Business – Plan to drive profitable growth

Continued Product Innovation

- ❑ **Value adds to drive retention and usage**
 - Loyalty and reward program
 - Money transfer services
 - Entertainment and content features
- ❑ **Launch new products like:**
 - Web based Audio and Video Conferencing

Expand Customer Base

- ❑ **Expand retail reach to new territories like Bahrain**
- ❑ **Aggressively target Enterprise customers through cross sell and up sell through Reliance Vanco sales team**

Maintain low cost leadership while aggressively growing business

Data Business

Unmatched Capabilities

- Global presence in over 60 countries. World's largest IP optical network
- Leadership in Global Ethernet (Yipes) and MPLS VPN (Vanco).
- Among top 3 IDC suppliers



Blue Chip Customers

- Diverse base of over 200 carriers, ISPs and content providers.
- Over 1,200 Blue Chip enterprise customers.

Leadership Position

- Ranked amongst top 5 in Global Network Service Providers by Gartner.



Among Top 5 Managed Network Services providers

Data Business – Plan to drive profitable growth

Vertical Expansion

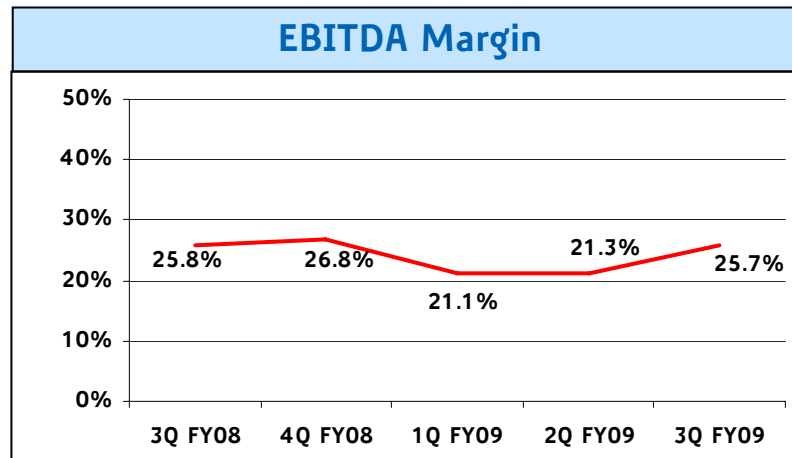
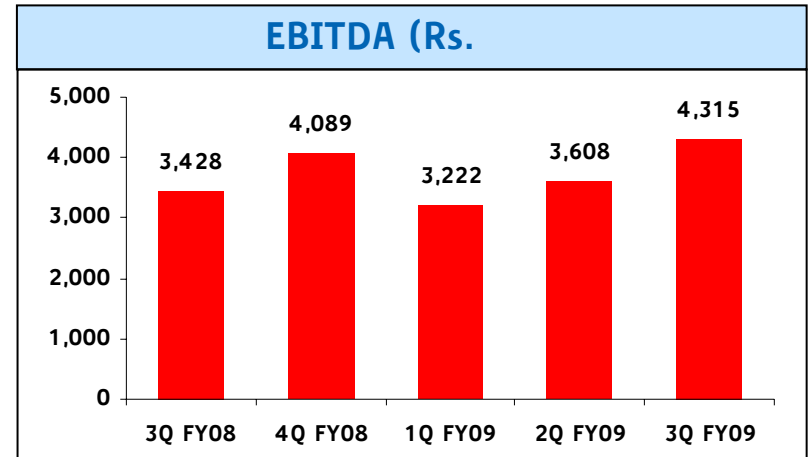
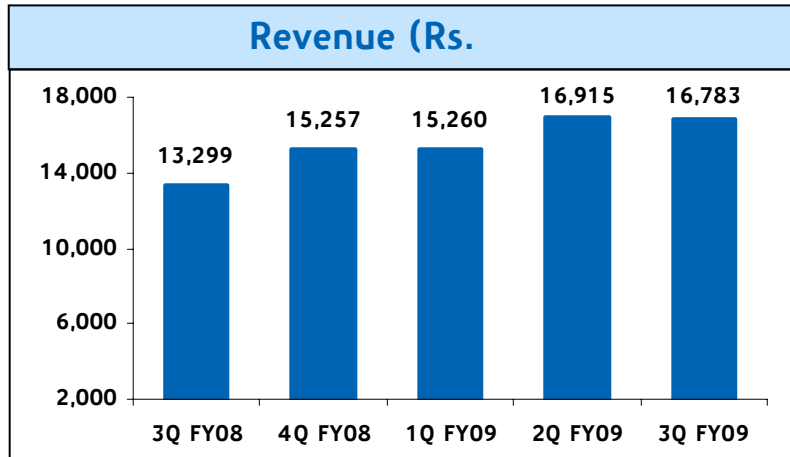
- ❑ Enhance revenue contribution from higher margin value added services
- ❑ “Sell to, sell through, sell with” channel partners to extend the customer franchise

Horizontal Expansion

- ❑ Expand Geographical Coverage:
 - Reach of cable network
 - VPoPs
 - Product suite
- ❑ Low risk investment strategy based on securing pre-build commitments

Maintain low cost leadership while aggressively growing business

Financial Performance

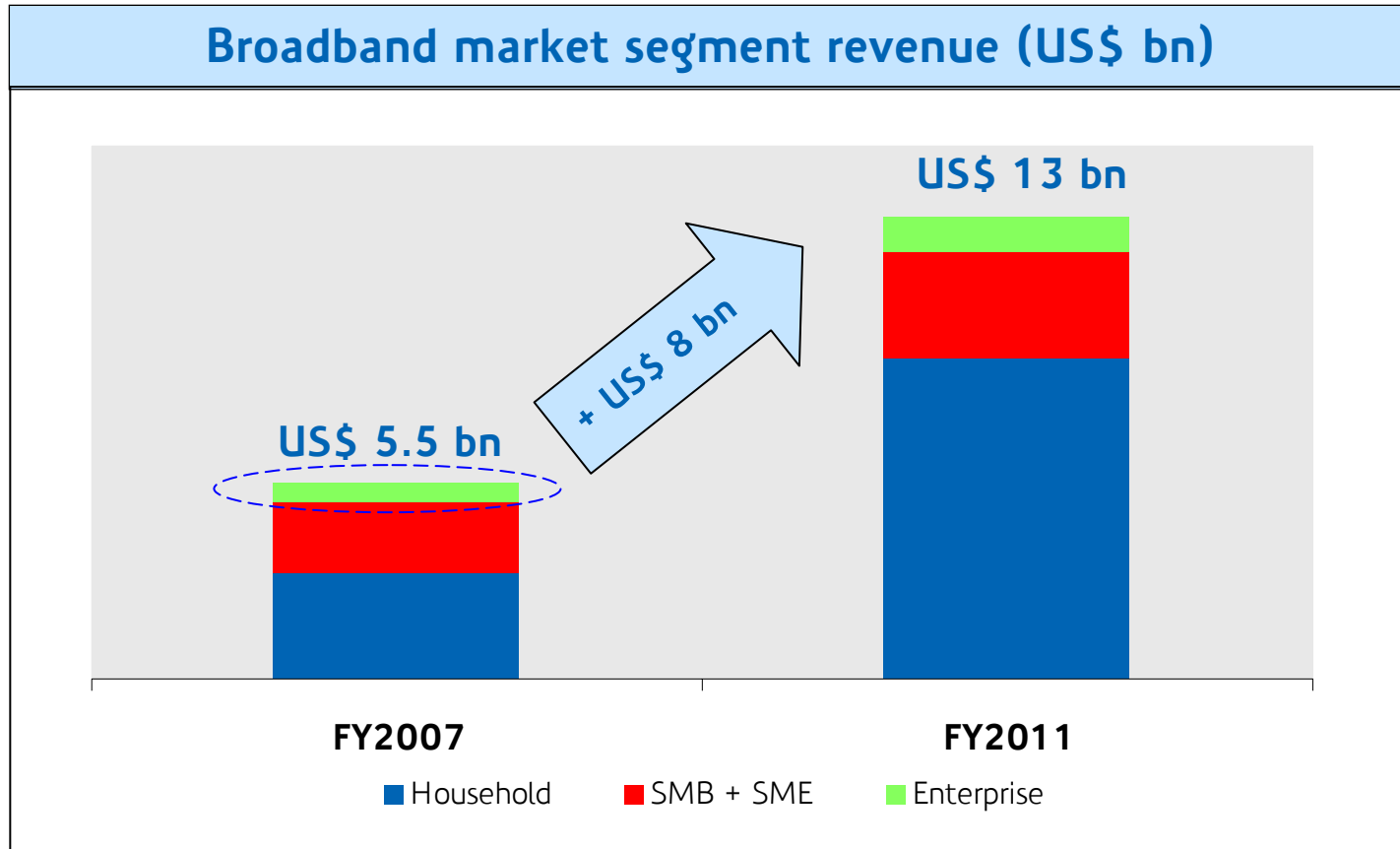


Short term margin impact due to VANCO acquisition

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Underserved market: Provides strong growth opportunity



Source : Industry Report

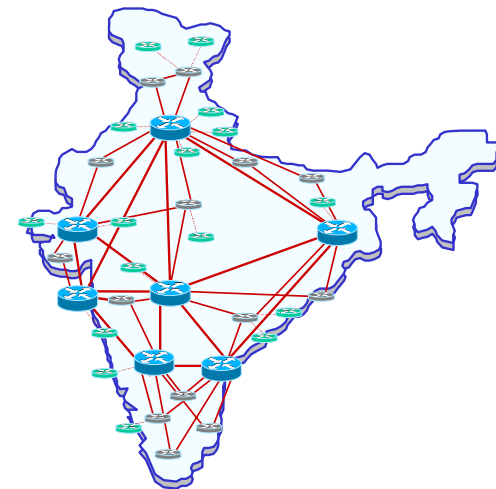
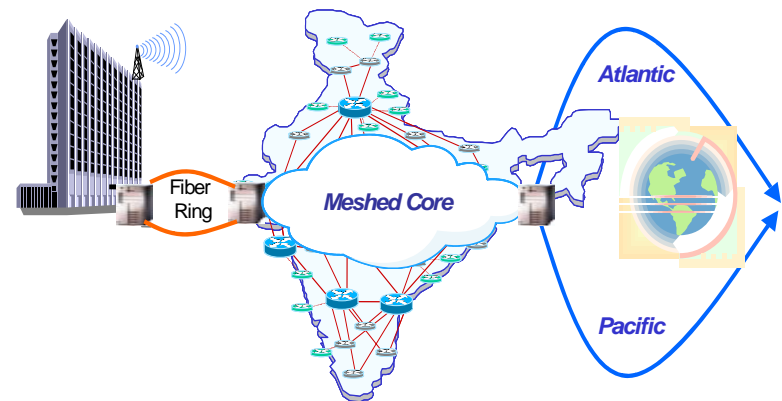
Indian Market to grow by US\$ 8 bn in the next 3 years

RCOM: Best positioned to drive growth

- ❑ >50% market share in highest growth data products like IDC, Centrex solutions, VPN, etc
- ❑ ~900,000 buildings connected across top 44 cities to our fiber network, to cross 1.5 mn by next year end
- ❑ Have built the largest capability in India to serve > 7.5 mn Voice & Data customers

Who do we Serve

- ❑ Servicing over 900 of top 1000 top Enterprises
- ❑ 250 MNCs and 50,000 SMB businesses
- ❑ Over 1.3 mn access subscribers



India's leading provider of enterprise services

WiMax is our access technology: Fastest subscriber take-up

❑ Launched services in top 10 cities in India

- Services available in Mumbai, Delhi, Bangalore, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad, Baroda & Surat

❑ Service offering

- Business internet for SMEs/SMBs
- Telecommute packages for work-from-home professionals
- Basic internet package for high-end residential users



WiMax complementary with enterprise services operating on metro ethernet

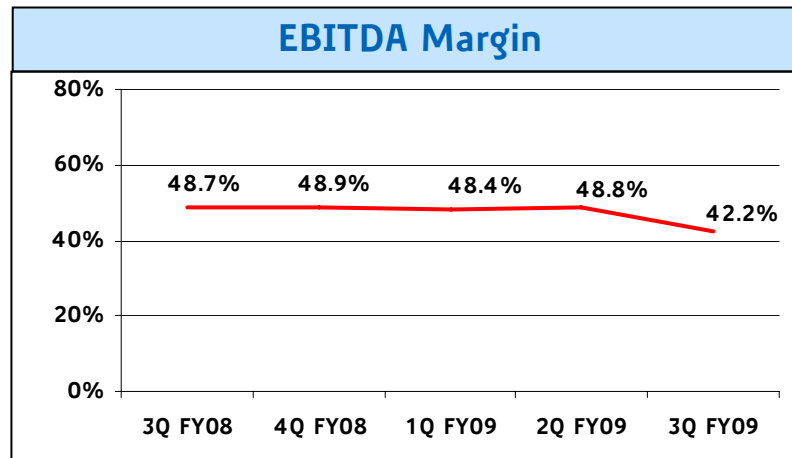
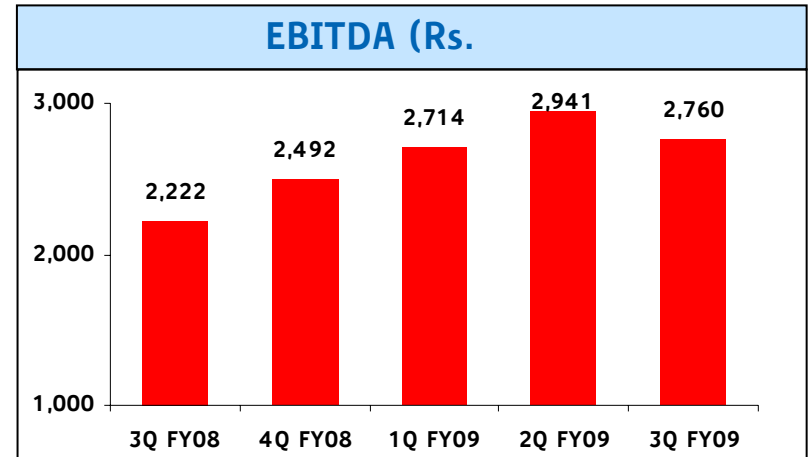
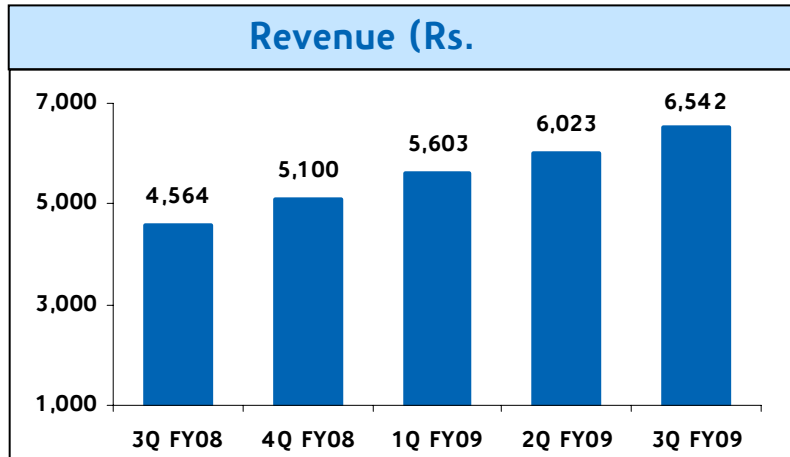
IDC: Largest in India with >60% market share

- ❑ Six data centres with level 3 + accreditation
 - more than 304,000 sq ft of facilities space
- ❑ Hosting > 20,000 systems and > 1400 terabyte of information
- ❑ Geographic redundancy
- ❑ Wide & complex application hosted
 - Core Banking, ATM/ Internet Banking
 - Complex ERP/ SAP Applications
 - Complex Intranet/ Customized Apps.
 - Large Messaging Applications



Expanding capacity 4 times to cater to fast growing demand

Financial Performance



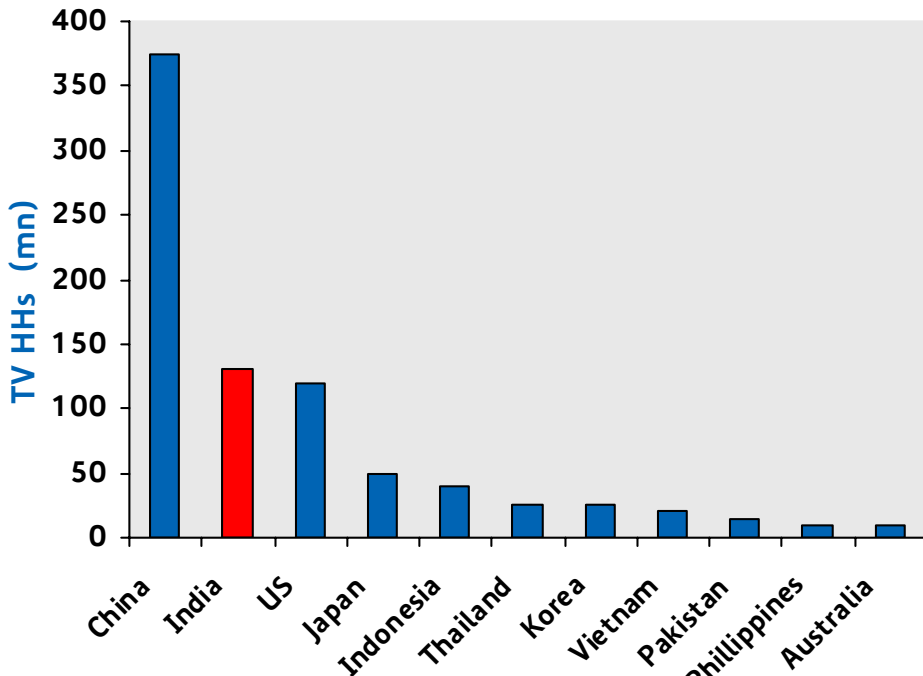
Consistent growth with strong margins

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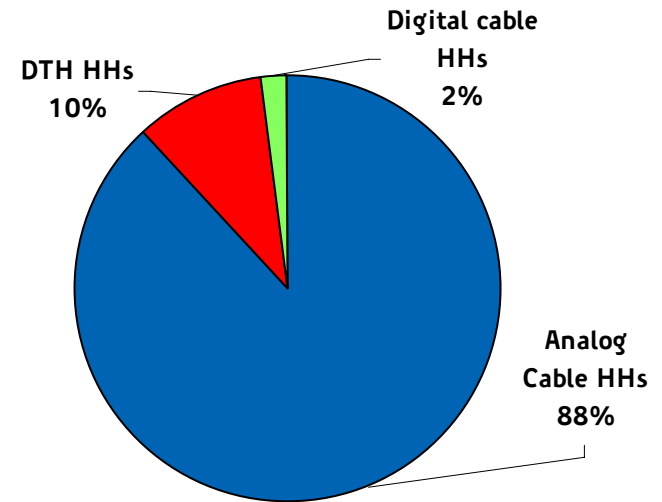
Home

Target one of the largest + fastest growing pay TV market globally



- ❑ India's TV viewership is 2nd largest in the world at 120 mn HH
- ❑ Total TV Penetration of 54% in India is among the lowest

>30% total HHs are served on C&S in India, mostly Analog



- ❑ Addressability driving shift from analog to digital
- ❑ Industry expects DTH HHs share of total C&S HHs to reach 40% vs 36% for analog cable, in FY15

Potential to become one of the largest Pay TV markets in the world

Big TV (DTH) – Commercially launched

□ Key service differentiators

- More channel choice
- Pure Digital viewing
- 32 Cinema channels
- Easy program guide
- Quick channel select
- Interactive applications (iNews, iGames, iCricket, etc)
- Superior Mpeg 4 technology

□ Pioneering HD Experience in India

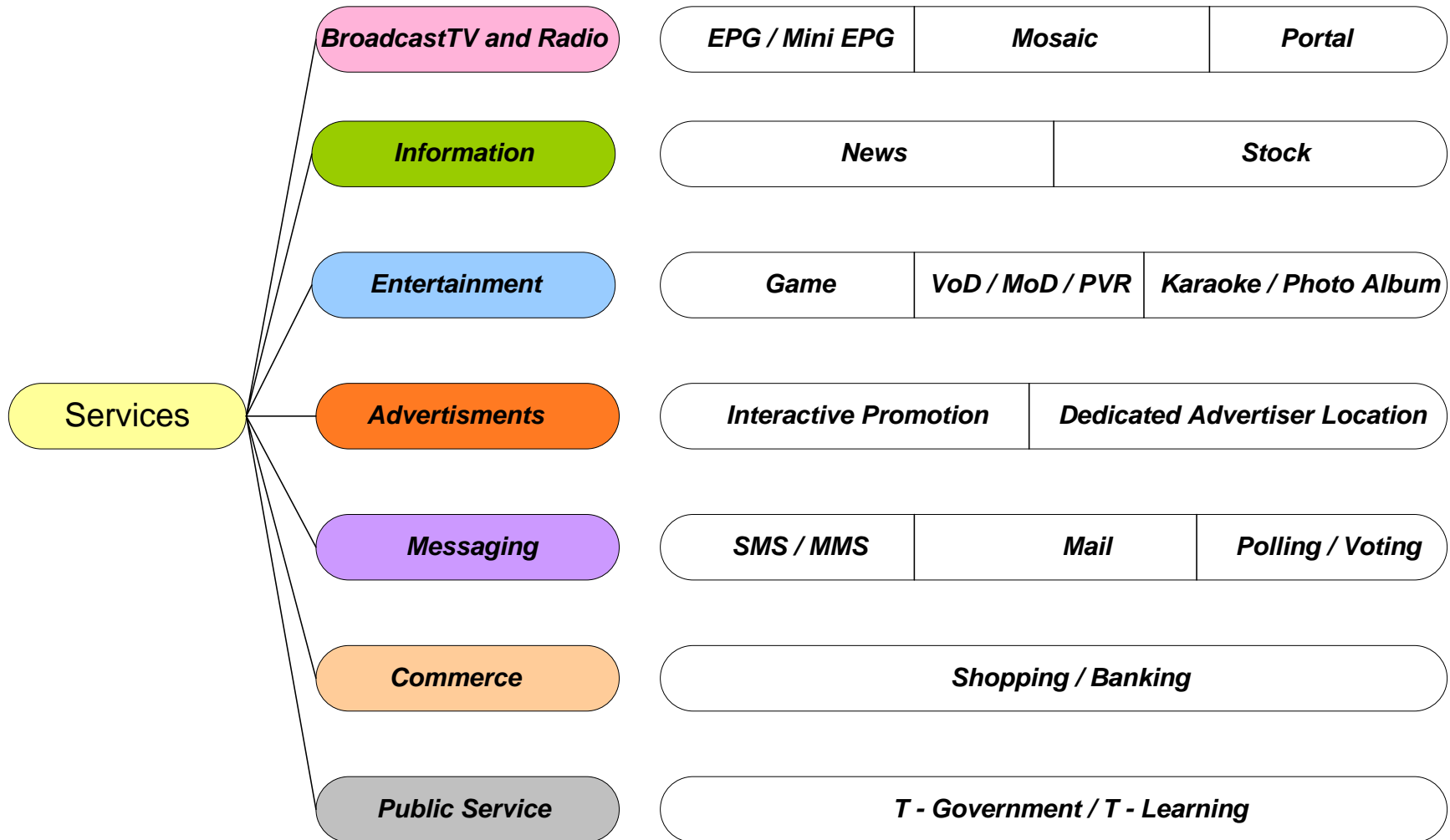
□ Pioneering DVR – "Watch when you want"



Ho Toh BIG Ho!

Digital viewing experience will create revolution in TV entertainment platforms

BIG TV Services: Complete suite of services



Contents

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Key takeaways

Key Takeaways

Drivers for

- ❑ RCOM launched nationwide GSM service with presence in 14,000 towns in January 2009
- ❑ RCOM GSM expanding coverage to 24K towns to cover 1 billion people by mid CY2009
- ❑ Huge growth opportunity in Business segments like Infratel, DTH & expansion of Enterprise/IDC
- ❑ Time -to- Market advantage for launching new & unique products & services

Impact

Increases the Revenue generating ability

High EBITDA margin Businesses improves the overall profitability

Robust pipeline of business to support growth

Integration of Telecom, Media, IT will be levers of tremendous future growth

Thank you

A large, stylized, light blue 'A' logo is centered in the background of the slide. The 'A' is composed of three overlapping, slightly offset shapes, creating a sense of depth and movement. The top of the 'A' is rounded, and the bottom is a sharp point. The overall design is clean and modern, consistent with the Reliance brand identity.