

Reliance Communications Limited
(Formerly known as Reliance Communication Ventures Limited)
Reliance Anil Dhirubhai Ambani Group

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

Unaudited Consolidated Financial Results for the Quarter and Six months ended 30th September, 2006

(Rs. In Crore - Except earnings per share)

Sr. No.	Particulars	Quarter ended 30th September		Six Months ended 30th September		Twelve months ended
		2006	2005	2006	2005	31st March, 2006
			(See Note 2)		(See Note 2)	
	Consolidated Operations					
1	Revenue	3,525.98	2,522.00	6,776.10	4,805.00	10,766.35
2	Operating Expenditure					
	a) Access Charges and Licence Fee	906.82	1,032.00	1,835.40	1,919.00	4,040.41
	b) Network Expenses	433.22	350.00	814.87	783.00	1,534.60
	c) Staff Cost	227.13	212.00	442.80	443.00	839.43
	d) Selling, General and Administration Expenses	606.27	501.00	1,124.29	1,066.32	1,816.69
	Total Expenditure	2,173.44	2,095.00	4,217.36	4,211.32	8,231.13
3	Operating Profit before Interest, Depreciation, Amortisations, Exceptional & Non-recurring	1,352.54	427.00	2,558.74	593.68	2,535.22
4	Net Finance Charges	5.58	65.00	105.53	99.32	321.47
5	Operating Profit before Depreciation, Amortisation, Exceptional and Non-recurring Items	1,346.96	362.00	2,453.21	494.36	2,213.75
6	Depreciation / Amortisation / Misc. Exp. Written Off	623.68	379.00	1,175.11	755.00	1,698.68
7	Operating Profit before Exceptional and Non-recurring Items	723.28	(17.00)	1,278.10	(260.64)	515.07
8	Exceptional and Non-recurring Items	15.00	0.00	30.00	0.00	37.43
9	Profit / (Loss) before Tax	708.28	(17.00)	1,248.10	(260.64)	477.64
10	Provision for taxation (Including FBT)	5.94	2.00	33.04	8.00	33.73
11	Net Profit / (Loss)	702.34	(19.00)	1,215.06	(268.64)	443.91
12	Cash profit from Operations	1,326.02	360.00	2,390.17	486.36	2,142.59
13	Paid up share capital (post merger)					
	204,46,14,990 Equity shares of Rs. 5 each	1,022.31	1,022.31	1,022.31	1,022.31	1,022.31
14	Reserve excluding Revaluation Reserve					10,719.00

Segment Analysis

Rs. in Crore

	Quarter ended 30th September		Six Months ended 30th September		Twelve months ended
	2006	2005	2006	2005	31st March, 2006
		(See Note 2)		(See Note 2)	
Segment revenue					
Sale/Income from each segment					
a) Wireless	2,574.44	1,778.00	5,006.40	3,263.00	7,364.00
b) Global	1,315.78	1,259.00	2,549.76	2,379.00	5,186.00
c) Broadband	270.98	90.00	498.15	191.00	513.00
d) Others	112.78	45.00	215.60	167.00	320.00
Total	4,273.98	3,172.00	8,269.91	6,000.00	13,383.00
Less: Inter segment eliminations	(748.00)	(650.00)	(1,493.81)	(1,195.00)	(2,616.65)
Net Sales/Income from operations	3,525.98	2,522.00	6,776.10	4,805.00	10,766.35
Segment results					
Profit / (Loss) before amortization, depreciation, tax and interest					
a) Wireless	929.44	510.00	1,804.04	856.00	2,250.00
b) Global	319.92	113.00	603.92	166.00	641.00
c) Broadband	121.51	15.00	209.51	(8.00)	77.00
d) Others	3.17	(159.00)	26.73	(293.00)	(164.00)
Total	1,374.04	479.00	2,644.20	721.00	2,804.00
Less: Inter segment eliminations	(21.50)	(52.00)	(85.46)	(127.32)	(268.78)
Total Profit / (Loss) before amortization, depreciation, tax and interest	1,352.54	427.00	2,558.74	593.68	2,535.22
Less: (1) Net Finance Charges	5.58	65.00	105.53	99.32	321.47
(2) Depreciation / Amortisation / Misc. Expenses Written off	623.68	379.00	1,175.11	755.00	1,698.68
(3) Other unallocable expenditure net off unallocable income	15.00	0.00	30.00	0.00	37.43
Total Profit / (Loss) before tax	708.28	(17.00)	1,248.10	(260.64)	477.64
Capital Employed					
a) Wireless			15,448.03		10,544.44
b) Global			5,582.95		4,360.36
c) Broadband			2,844.20		2,595.48
d) Others / unallocated			8,406.25		4,586.00
Total			32,281.43		22,086.28

NOTES

- 1 The current financial year of the Company commenced on 1st January, 2006. This is the third quarterly financial results of the Company for the current financial year. However, as comparable results of the previous year, consolidated on a proforma basis, are only available for the six month period ended 30th September, 2005, the consolidated results are given only for the six months ended 30th September, 2006. Similarly with a view of providing more relevant information the consolidated results are given for the twelve months ended 31st March 2006 instead of for the year ended 31st December 2005.
- 2 (a) The Scheme of Amalgamation and Arrangement (Scheme) for the amalgamation of Reliance Infocomm Limited, Ambani Enterprises Private Limited, Reliance Business Management Private Limited, Formax Commercial Private Limited, Reliance Communications Technologies Limited, Reliance Software Solutions Private Limited, Reliance Communications Solutions Private Limited and Panther Consultants Private Limited ("Transferor Companies") and demerger of the Network division of the Reliance Communications Infrastructure Limited with the Company, as approved by the High Courts of Bombay and Gujarat became effective from 12th September, 2006. In terms of the said Scheme, the Company has allotted 82,14,84,568 equity shares of Rs.5/- each. Upon said allotment, the paid up equity Share capital of the Company has increased to Rs. 1022.31 crores divided into 204,46,14,990 equity shares of Rs. 5/- each. Further, as an integral part of the said Scheme, Reliance Communications Infrastructure Limited, Reliance Telecom Limited, Flag Telecom Group Limited and certain other companies became wholly owned subsidiaries of the Company.
- 2 (b) Prior to the effectiveness of the Scheme, the Company held less than 50% paid up equity shares of each of its key investee companies. The results for the corresponding quarter ended and six months ended 30th September, 2005 of the previous year have been consolidated on a proforma basis, as if the Scheme had been implemented.
- 3 Depreciation is net of the amount adjusted from Provision for Business Restructuring, in accordance with the Scheme.
- 4 No complaint was pending at the beginning of the quarter and during the quarter seventy seven complaints were received and all complaints were resolved. No complaint was pending as on 30th September 2006.
- 5 The financial results are in accordance with the standard accounting practices followed by the Company in preparation of its statutory accounts and are subject to "Limited Review" by the Statutory Auditors of the Company for the quarter ended 30th September, 2006.
- 6 The previous periods figures have been reworked, regrouped, rearranged and reclassified, wherever required.
- 7 After review by Audit Committee, Board of Directors of the Company took the above results on record at their meeting held on 30th October, 2006.

Place: Mumbai

For **Reliance Communications Limited**

Date: 30th October, 2006

Anil D. Ambani
Chairman