

RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2008

NET PROFIT UP BY 70.8% TO RS. 5,401 CRORE (US\$ 1,350 MILLION)

REVENUES HIGHER BY 31.8% AT RS. 19,068 CRORE (US\$ 4,765 MILLION)

EBITDA HIGHER BY 43.3% AT RS. 8,199 CRORE (US\$ 2,049 MILLION)

RCOM IS THE MOST PROFITABLE INTEGRATED TELECOM COMPANY IN INDIA
EBITDA MARGIN EXPANDS FROM 39.5% TO 43.0%, HIGHEST IN INDIA

BOARD APPROVES 15% DIVIDEND – RCOM REMAINS THE ONLY LISTED TELECOM
COMPANY IN INDIA TO REWARD 2 MILLION SHAREHOLDERS

DIVIDEND PAYOUT OF RS. 181 CRORE

NET WORTH EXPANDS TO RS. 25,643 CRORE (US\$ 6.4 BILLION)
AND NET DEBT-EQUITY RATIO PLACED AT A CONSERVATIVE 0.39 : 1

AGGRESSIVE NETWORK EXPANSION ACCELERATED WITH RS. 21,204 CRORE
(US\$ 5.3 BILLION) CAPITAL EXPENDITURE DURING THE YEAR

FY 2008 CAPEX LARGEST IN INDIAN TELECOM SECTOR

ONLY COMPANY TO HAVE NATIONWIDE GSM & CDMA SERVICES IN INDIA

Mumbai, April 30, 2008: Reliance Communications Limited (RCOM) today announced its audited consolidated financial results for the year ended March 31, 2008.

Highlights of the financial performance for the year are:

- **Net Profit of Rs. 5,401 crore** (US\$ 1,350 million), **higher by 70.8%** compared to Net Profit of Rs. 3,164 crore (US\$ 717 million) in the last year.
- **EBITDA at Rs. 8,199 crore** (US\$ 2,049 million), **growth of 43.3%**. **EBITDA margin expands from 39.5% to 43.0%** with strong contributions across all businesses – Wireless, Global and Enterprise
- **Revenue growth of 31.8%** at **Rs. 19,068 crore** (US\$ 4,765 million) from Rs. 14,468 crore (US\$ 3,280 million).
- **Return on Net Worth for the year is 33.7%** reflecting improved resource utilization.
- **Shareholders Equity (Net Worth) increases to Rs. 25,643 crore** (US\$ 6.4 billion) – among the top three companies in India.

- Conservative capital structure - Net Debt to Equity Ratio maintained at a conservative level of 0.39:1, despite capex spend of Rs. 21,204 crore (US\$ 5.3 billion) during the year.

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

"Reliance Communications had a record year and we are confident of improved performance in the future."

Financial Results summary

(Rs. Crore)

Particulars	12 months ended 31/3/08	12 months ended 31/3/07	Increase / (Decrease)
Turnover			
Wireless	15,214	10,728	41.8%
Global	5,475	5,177	5.8%
Broadband	1,787	1,144	56.2%
Diversified	431	372	
Total (post eliminations)	19,068	14,468	31.8%
EBITDA			
Wireless	6,085	3,984	52.7%
Global	1,403	1,271	10.4%
Broadband	865	519	66.6%
Diversified	(122)	26	
Total (post eliminations)	8,199	5,721	43.3%
EBITDA margin	43.0%	39.5%	3.5 ppt
Depreciation	2,805	2,465	13.8%
Financial Charges (net)	(400)	-	
Exceptional items	1,283	30	
PBT	7,076	3,225	119.4%
Tax	284	62	
PAT (before minority interest)	6,793	3,163	
Share of minority interest	1,392	-	
PAT (after minority interest)	5,401	3,163	70.8%

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 market capitalization of over Rs. 3,00,000 crore (US\$ 75 billion), net worth in excess of Rs. 55,000 crore (US\$ 14 billion), cash flows of Rs. 11,000 crore (US\$ 2.8 billion), net profit of Rs. 7,700 crore (US\$ 1.9 billion) and zero net debt.

Rated among "Asia's Top 5 Most Valuable Telecom Companies", Reliance Communications is India's foremost and truly integrated telecommunications service provider. The company, with a customer base of over 48 million including over 1.5 million individual overseas retail customers, ranks among the Top 10 Asian Telecom companies by number of customers. Reliance Communications' corporate clientele includes 1850 Indian and multinational corporations, and over 250 global 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 infocomm value chain, covering over 15,000 towns and 400,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 165,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results

(Rs. Crore)

Particulars	3 months ended			12 months ended		
	31/3/08	31/3/07	% change	31/3/08	31/3/07	% change
Turnover						
Wireless	4,161	2,969	40.1%	15,214	10,728	41.8%
Global	1,526	1,294	17.9%	5,475	5,177	5.8%
Broadband	510	330	54.5%	1,787	1,144	56.2%
Diversified	68	95		431	372	
Total (post eliminations)	5,311	3,937	34.9%	19,068	14,468	31.8%
EBITDA						
Wireless	1,676	1,151	45.6%	6,085	3,984	52.7%
Global	409	312	31.1%	1,403	1,271	10.4%
Broadband	249	161	54.7%	865	519	66.6%
Diversified	(12)	16		(122)	26	
Total (post eliminations)	2,316	1,635	41.7%	8,199	5,721	43.3%
EBITDA margin	43.6%	41.5%	2.1 ppt	43.0%	39.5%	3.5 ppt
Depreciation	786	638	23.2%	2,805	2,465	13.8%
Financial Charges (net)	(8)	(39)		(400)	-	
Exceptional items	(61)	(3)		1,283	30	
PBT	1,600	1,039	54.0%	7,076	3,225	119.4%
Tax	(27)	15		284	62	
PAT (before minority interest)	1,627	1,024	58.9%	6,793	3,163	114.8%
Share of minority interest	124	-		1,392	-	
PAT (after minority interest)	1,503	1,024	46.8%	5,401	3,163	70.8%