

RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2008

NET PROFIT UP BY 2.7% TO RS. 1,410 CRORE (US\$ 290 MILLION)

REVENUES HIGHER BY 20.0% AT RS. 5,850 CRORE (US\$ 1,204 MILLION)

EBITDA HIGHER BY 11.7% AT RS. 2,353 CRORE (US\$ 484 MILLION)

EBITDA MARGIN AT 40.2%

NET WORTH EXPANDS TO RS. 29,065 CRORE (US\$ 6 BILLION)
AND NET DEBT-EQUITY RATIO PLACED AT A CONSERVATIVE 0.64 : 1

AGGRESSIVE NETWORK EXPANSION ACCELERATED WITH RS. 4,361 CRORE
(US\$ 900 MILLION) CAPITAL EXPENDITURE DURING THE QUARTER

RCOM ANNOUNCED THE WORLD'S LARGEST CUSTOMER EXPERIENCE PROGRAM AND
LAUNCHED GSM SERVICES IN 11,000 TOWNS ALL OVER INDIA

Mumbai, January 23, 2009: Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the quarter ended December 31, 2008.

Highlights of the financial performance for the quarter are:

- **Net Profit of Rs. 1,410 crore** (US\$ 290 million), **higher by 2.7%** compared to Net Profit of Rs. 1,373 crore (US\$ 348 million) in the corresponding quarter last year.
- **EBITDA at Rs. 2,353 crore** (US\$ 484 million), **growth of 11.7%**. **EBITDA margin at 40.2%**
- **Revenue growth of 20.0% at Rs. 5,850 crore** (US\$ 1,204 million) from Rs. 4,874 crore (US\$ 1,237 million).
- **Return on Net Worth is 33.3%** reflecting improved resource utilization.
- **Shareholders Equity (Net Worth) increases to Rs. 29,065 crore** (US\$ 6 billion)
- **Conservative capital structure - Net Debt to Equity Ratio maintained at a conservative level of 0.64:1**, despite capex spend of Rs. 4,361 crore (US\$ 900 million) during the quarter.

CORPORATE DEVELOPMENTS

- **RCOM launched its GSM services covering 11,000 towns all over India**

RCOM announced the world's largest customer experience program and launched GSM services in 11,000 towns all over India. RCOM has launched its GSM services in just 11 months from the receipt of start-up GSM spectrum in January 2008. RCOM GSM is the state of the art next generation network with digital voice clarity and India's first nationwide enhanced EDGE network for fast internet access. RCOM GSM will also offer widest R-World mobile content offering entertainment, music, news, cricket, bollywood, maps and search and one-click set-up and access to email and social networking offering communication convenience of a PC.

- **Reliance BIG TV crosses 1 million subscribers milestone**

BIG TV acquired over 1 million subscribers within 90 days of launch. This is the fastest ramp up ever achieved by any DTH operator in the world. BIG TV would be tapping into the existing customer base of Reliance ADA Group companies to rapidly gain market share. The subscribers can enjoy over 200 channels, 32 on-demand channels, which is highest in the industry. The product is available in 1 lakh retail outlets across 6,500 towns.

- **RCOM repurchased its FCCBs at a discount**

RCOM repurchased 250 zero coupon Foreign Currency Convertible Bonds (FCCBs) with the face value of US\$ 100,000 each aggregating to US\$ 25 million (approx Rs. 121.22 crores) at a discount of 52.5% on December 29, 2008.

RCOM also repurchased 100 zero coupon Foreign Currency Convertible Bonds (FCCBs) with the face value of US\$ 100,000 each aggregating to US\$ 10 million (approx Rs. 48.77 crores) at a discount on January 21, 2009.

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 net worth in excess of Rs. 63,000 crore (US\$ 14 billion), cash flows of Rs. 12,000 crore (US\$ 3 billion), net profit of Rs. 8,000 crore (US\$ 2 billion) and zero net debt.

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 65 million including over 2 million individual overseas retail customers, ranks among the Top 10 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 Indian and multinational corporations, and over 800 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 20,000 towns and 450,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity

infrastructure, comprising over 175,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results summary

(Rs. Crore)

Particulars	3 months ended 31/12/08	3 months ended 31/12/07
Turnover		
Wireless	4,412	3,957
Global	1,678	1,330
Broadband	654	456
Diversified	318	154
Total (post eliminations)	5,850	4,874
EBITDA		
Wireless	1,662	1,582
Global	432	343
Broadband	276	222
Diversified	-11	-26
Total (post eliminations)	2,353	2,107
EBITDA margin	40.2%	43.2%
Depreciation	1,007	725
Financial Charges (net)	-150	-152
Amortisation of Compensation under ESOS	36	-
PBT	1,459	1,533
Tax	15	138
PAT (before minority interest)	1,444	1,395
Share of minority interest	34	22
PAT (after minority interest)	1,410	1,373