

RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010

Q4 NET PROFIT AT RS. 1,220 CRORE (US\$ 270 MILLION), UP BY 10.1% AS COMPARED TO LAST QUARTER

NET PROFIT FY10 AT RS. 4,655 CRORE (US\$ 991 MILLION)

NET PROFIT FY10 WOULD HAVE BEEN HIGHER BY RS. 192 CRORE AT RS. 4,847 CRORE BUT FOR NON RECOGNITION OF MARK-TO-MARKET GAINS ON DERIVATIVE CONTRACTS

REVENUES AT RS. 22,132 CRORE (US\$ 4,713 MILLION)

EBITDA AT RS. 7,821 CRORE (US\$ 1,665 MILLION), WITH EBITDA MARGIN OF 35.3%

BOARD APPROVES 17% DIVIDEND, PAYOUT OF RS. 205 CRORE, THE ONLY TELECOM COMPANY IN INDIA TO DECLARE DIVIDEND FOR THREE CONSECUTIVE YEARS

MINUTES OF USAGE INCREASED FROM 276 BILLION TO 349 BILLION, UP BY 26% AS COMPARED TO LAST YEAR

GLOBALCOM & ENTERPRISE BUSINESS EBITDA REPRESENTS 36% OF CONSOLIDATED EBITDA

ACHIEVES 100 MILLION SUBSCRIBER MILESTONE; BECOMES 4TH LARGEST SINGLE COUNTRY OPERATOR IN THE WORLD

Mumbai, May 15, 2010 : Reliance Communications Limited (RCOM) today announced its audited consolidated financial results for the year ended March 31, 2010.

Highlights of the financial performance for the year are:

- **Net Profit of Rs. 4,655 crore (US\$ 991 million)**
- **EBITDA at Rs. 7,821 crore (US\$ 1,665 million), EBITDA margin at 35.3%** with strong contribution from all businesses – Wireless, Global and Enterprise
- **Revenue at Rs. 22,132 crore (US\$ 4,713 million)**

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

"The telecom industry has witnessed financial year 2010 as one of the most challenging year. RCOM has undertaken several path breaking initiatives both in GSM and CDMA services and we are confident that inspite of highly competitive environment, we will be able to sustain profitable growth in the coming quarters."

CORPORATE HIGHLIGHTS

- **Reliance Communications achieves a landmark of 100 Million Customers**

RCOM, India's largest and only telecom operator offering nationwide CDMA and GSM mobile services, have crossed the landmark 100 million wireless customers, making it the 2nd largest wireless operator in the country to achieve this milestone. The momentous achievement has been attained within seven years of Reliance Communications first launching its pan-India mobile services in 2003. Incidentally, it is also the fastest ramp up of mobile customers in the world. With this landmark achievement, Reliance Communications becomes the 4th operator in the world to serve over 100 Million customers in a single country.

- **Reliance Communications breaks away from tariff metering tradition of Indian telecom industry**

Following the success of its first three Simply Reliance Initiatives, Reliance Communications announced the extension of Simply Reliance through another ground-breaking Simply Unlimited CDMA Offer, as part of its 100 Million Customers Milestone celebrations. Through this new Offer Reliance Communications breaks away from the conventional tariff metering practise of the Indian telecom industry. The new Simply Unlimited CDMA Offer aims to redefine the Indian mobile telecom space as well as expand the overall Simply Reliance portfolio through yet another simple and transparent Offering that delivers enhanced value through a single unconditional monthly recharge facility.

- **Reliance BIG TV launches India's first HD DVR service**

Reliance BIG TV, the DTH entertainment service from Reliance Communications, as part of its business strategy announced a path breaking, first-of-its-kind technological innovation that will redefine the DTH landscape in the country. Reliance Big TV commenced the roll-out of India's first High Definition set-top box with Digital Live TV Recording capabilities. Big TV is rolling out its HD DVR set-top box across top 100 cities in India and will be supported by India's largest distribution infrastructure of a home entertainment service covering 6500 towns with a network reach of over 100,000 retail points. Reliance Big TV is also offering a 3-in-1 Universal Remote to enable its subscribers to the advantage of using single remote to control three devices namely, the TV, Set-Top Box and any other music/ disc player system.

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. 64,000 crore (US\$ 13.6 billion), cash flows of Rs. 13,000 crore (US\$ 2.8 billion), net profit of Rs. 8,400 crore (US\$ 1.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of 109 million including over 2.5 million individual overseas retail customers, ranks among the Top 4 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 24,000 towns and 600,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 190,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results Summary (in Rs. crore)

Particulars	12 months ended		
	31/3/10	31/3/09	% change
Turnover			
Wireless	16,640	17,368	-4.2%
Global	8,319	6,791	22.5%
Broadband	2,839	2,524	12.5%
Diversified	1,177	1,003	17.4%
Total (post eliminations)	22,132	22,949	-3.6%
EBITDA			
Wireless	5,586	6,674	-16.3%
Global	1,696	1,625	4.4%
Broadband	1,147	1,158	-0.9%
Diversified	(570)	(120)	
Total (post eliminations)	7,821	9,305	-16.0%
<i>EBITDA margin</i>	<i>35.3%</i>	<i>40.5%</i>	<i>-5.2 ppt</i>
Depreciation	3,747	3,608	
Financial Charges (net)	(1,186)	(507)	
Exceptional items	38	8	
PBT	5,223	6,197	-15.7%
Tax	445	(52)	
PAT (before minority interest)	4,777	6,249	
Share of minority interest	122	204	
PAT (after minority interest)	4,655	6,045	-23.0%