

**Reliance Communications Limited**  
**Reliance Anil Dhirubhai Ambani Group**  
 website: www.rcom.co.in

Regd. Office : H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710  
**Unaudited Financial Results (Consolidated) for the Quarter and Six months ended 30th September, 2010**

(₹ in Lakh - Except EPS and Share data)

| Sl. No. | Particulars  | Quarter ended  |                | Six months ended |                  | Previous Accounting Year ended |
|---------|--|----------------|----------------|------------------|------------------|--------------------------------|
|         |  | 30-Sep-10      | 30-Sep-09      | 30-Sep-10        | 30-Sep-09        | 31-Mar-10                      |
|         |  | Unaudited      | Unaudited      | Unaudited        | Unaudited        | Audited                        |
| 1       | a) Net Income from Operations  | 497,259        | 535,236        | 998,755          | 1,085,784        | 2,068,505                      |
|         | b) Other Operating Income  | 5,040          | 14,389         | 10,394           | 48,136           | 81,133                         |
|         | <b>Net Income from Operations</b>  | <b>502,299</b> | <b>549,625</b> | <b>1,009,149</b> | <b>1,133,920</b> | <b>2,149,638</b>               |
| 2       | <b>Expenditure</b>   |                |                |                  |                  |                                |
|         | a) Access Charges  | 65,717         | 47,722         | 131,820          | 95,831           | 213,773                        |
|         | b) License Fee   | 30,333         | 29,128         | 61,351           | 59,471           | 114,511                        |
|         | c) Employee Cost   | 35,964         | 38,163         | 71,314           | 79,285           | 150,007                        |
|         | d) Depreciation and Amortisation   | 95,528         | 71,437         | 192,005          | 182,880          | 374,652                        |
|         | e) Other Expenditure   | 213,869        | 252,419        | 429,114          | 501,223          | 952,888                        |
|         | <b>Total</b>   | <b>441,411</b> | <b>438,869</b> | <b>885,604</b>   | <b>918,690</b>   | <b>1,805,831</b>               |
| 3       | <b>Profit from Operations before Other Income, Financial Charges and Exceptional Items (1 - 2)</b> | <b>60,888</b>  | <b>110,756</b> | <b>123,545</b>   | <b>215,230</b>   | <b>343,807</b>                 |
| 4       | Other Income   | 9,531          | 20,631         | 13,601           | 50,853           | 63,590                         |
| 5       | Amortisation of Compensation under Employee Stock Option Scheme                                    | -              | -              | -                | -                | -                              |
| 6       | <b>Profit before Financial Charges and Exceptional Items (3 + 4 - 5)</b>                           | <b>70,419</b>  | <b>131,387</b> | <b>137,146</b>   | <b>266,083</b>   | <b>407,397</b>                 |
| 7       | Financial Charges (Net)  | 27,970         | 66,357         | 71,937           | 5,199            | (118,633)                      |
| 8       | <b>Profit after Financial Charges but before Exceptional Items (6 - 7)</b>                         | <b>42,449</b>  | <b>65,030</b>  | <b>65,209</b>    | <b>260,884</b>   | <b>526,030</b>                 |
| 9       | Exceptional Items  | -              | 285            | -                | 1,396            | 3,747                          |
| 10      | <b>Profit from Ordinary Activities before Tax (8 - 9)</b>  | <b>42,449</b>  | <b>64,745</b>  | <b>65,209</b>    | <b>259,488</b>   | <b>522,283</b>                 |
| 11      | Tax Expenses   | (6,609)        | (17,393)       | (13,795)         | 5,280            | 44,539                         |
| 12      | <b>Profit from Ordinary Activities after Tax (10 - 11)</b>   | <b>49,058</b>  | <b>82,138</b>  | <b>79,004</b>    | <b>254,208</b>   | <b>477,744</b>                 |
| 13      | Extraordinary Items (net of tax expense)   | -              | -              | -                | -                | -                              |
| 14      | <b>Net Profit for the period (12 - 13)</b>   | <b>49,058</b>  | <b>82,138</b>  | <b>79,004</b>    | <b>254,208</b>   | <b>477,744</b>                 |
| 15      | Share of Minority Interest   | 4,382          | 8,048          | 9,273            | 16,366           | 11,925                         |
| 16      | Share of Associates  | 84             | 60             | 50               | 154              | 319                            |
| 17      | <b>Net Profit after Adjustment of share of Minority Interest and Associates (14 - 15 - 16)</b>     | <b>44,592</b>  | <b>74,030</b>  | <b>69,681</b>    | <b>237,688</b>   | <b>465,500</b>                 |
| 18      | Paid-up Equity Share Capital (Face Value of Rs. 5 each)  | 103,201        | 103,201        | 103,201          | 103,201          | 103,201                        |
| 19      | Paid up Debt Capital   | -              | -              | 300,000          | 300,000          | 300,000                        |
| 20      | Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year           | -              | -              | -                | -                | 4,232,863                      |
| 21      | Debenture Redemption Reserve   | -              | -              | 8,194            | 4,456            | 8,194                          |
| 22      | <b>Earning per Share (EPS) after Extraordinary Items (not annualised)</b>                          |                |                |                  |                  |                                |
|         | - Basic (Rs.)  | 2.16           | 3.59           | 3.38             | 11.52            | 22.55                          |
|         | - Diluted (Rs.)  | 2.07           | 3.44           | 3.24             | 11.04            | 21.62                          |
| 23      | Debt Equity Ratio (Refer note 4)   | -              | -              | 0.95             | 0.59             | 0.56                           |
| 24      | Debt Service Coverage Ratio (DSCR) (Refer note 4)  | -              | -              | 5.26             | 0.30             | 0.92                           |
| 25      | Interest Service Coverage Ratio (ISCR) (Refer note 4)  | -              | -              | 7.78             | 2.94             | 7.49                           |
| 26      | Public Shareholding  |                |                |                  |                  |                                |
|         | Number of Shares   | 666,296,821    | 67,66,85,821   | 666,296,821      | 67,66,85,821     | 669,106,821                    |
|         | Percentage of Shareholding   | 32.28%         | 32.78%         | 32.28%           | 32.78%           | 32.42%                         |
| 27      | <b>Promoters and Promoter Group Shareholding</b>   |                |                |                  |                  |                                |
|         | a) Pledged / Encumbered  |                |                |                  |                  |                                |
|         | - Number of Shares   | Nil            | 159,181,411    | Nil              | 159,181,411      | Nil                            |
|         | - Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group)         | NA             | 11.47%         | NA               | 11.47%           | NA                             |
|         | - Percentage of Shares ( as a % of the total share capital of the company)                         | NA             | 7.71%          | NA               | 7.71%            | NA                             |
|         | b) Non -encumbered   |                |                |                  |                  |                                |
|         | - Number of Shares   | 1,397,730,060  | 1,228,159,649  | 1,397,730,060    | 1,228,159,649    | 1,394,920,060                  |
|         | - Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group)         | 100.00%        | 88.53%         | 100.00%          | 88.53%           | 100.00%                        |
|         | - Percentage of Shares ( as a % of the total share capital of the company)                         | 67.72%         | 59.50%         | 67.72%           | 59.50%           | 67.58%                         |



## Notes

- Figures of the previous period have been regrouped and reclassified, wherever required.
- Profit for the quarter ended 30<sup>th</sup> September, 2010 would have been higher by Rs. 73,507 lakh at Rs. 1,18,100 lakh except for adjustment of Foreign Exchange losses of Rs. 77,995 lakh pertaining to the previous quarter. Losses, if any, would be adjusted by withdrawal from General Reserve at the end of the year in terms of Schemes of Arrangement approved by the Hon'ble High Court of Bombay on 19th June, 2009 and 18th July, 2009 respectively.
- The Company is operating with Wireless, Broadband, Global, Investments and Others/ Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of AS 17 "Segment Reporting".
- Formula used for the computation of ratios:
  - Debt Equity Ratio = Debt/ Equity;
  - Debt Service Coverage Ratio (DSCR) = Earnings before depreciation, interest, tax/ (Interest + Principal repayment);
  - Interest Service Coverage Ratio (ISCR) = Earnings before depreciation, interest, tax/ (Interest expense)
- The Company has opted to publish Consolidated financial results for the year 2010 - 11. Standalone financial results, for the quarter and half year ended 30th September, 2010 can be viewed on the website of the Company, National Stock Exchange of India Limited and Bombay Stock Exchange Limited at [www.rcom.co.in](http://www.rcom.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.

Additional information on standalone basis is as follows:

(₹ in Lakh)

| Particulars                | Quarter ended |            | Six months ended |            | Year ended |
|----------------------------|---------------|------------|------------------|------------|------------|
|                            | 30.09.2010    | 30.09.2009 | 30.09.2010       | 30.09.2009 | 31.03.2010 |
|                            | Unaudited     | Unaudited  | Unaudited        | Unaudited  | Audited    |
| Total Income               | 308,963       | 306,100    | 627,554          | 625,807    | 1,251,172  |
| Profit / (Loss) before tax | (47,647)      | (17,788)   | (96,728)         | 25,212     | 61,947     |
| Profit / (Loss) after tax  | (47,647)      | (11,788)   | (96,728)         | 25,212     | 47,893     |

- No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 7 complaints were received and all the complaints were resolved.
- After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 13th November, 2010.

For Reliance Communications Limited

Place: Mumbai  
Date: 13<sup>th</sup> November, 2010

Anil D. Ambani  
Chairman