

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS  
FOR THE QUARTER ENDED DECEMBER 31, 2010**

CUSTOMER BASE AT **126 MILLION**, UP 34%  
AGAINST 94 MILLION IN THE CORRESPONDING QUARTER LAST YEAR

NET PROFIT OF RS. 480 CRORE (US\$ 107 MILLION), UP 7.7% AGAINST RS. 446 CRORE (USD 99  
MILLION) IN THE SEQUENTIAL QUARTER

EBITDA AT RS. 1,668 CRORE (US\$ 373 MILLION)  
AGAINST RS. 1,660 CRORE (US\$ 369 MILLION) – INCREASE BY 0.5% SEQUENTIALLY

EBITDA MARGIN INCREASED FROM 32.4% TO 33.3%, WHICH IS HIGHEST IN THE COUNTRY  
REVENUE AT RS. 5,004 CRORE (US\$ 1,119 MILLION), AGAINST RS. 5,118 CRORE (US\$ 1,139) IN  
THE SEQUENTIAL QUARTER

REVENUE MARGINALLY DECLINED DUE TO CONSCIOUS STRATEGY OF MOVING AWAY FROM LOW  
MARGIN BUSINESSES

STRONG FOCUS ON MORE PROFITABLE DATA AND VAS SERVICES

ENTERPRISE & GLOBALCOM EBITDA REPRESENTS 37% OF CONSOLIDATED EBITDA  
MAINTAINING STEADY PERFORMANCE

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**Mumbai, February 14, 2011:** Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the quarter ended December 31, 2010.

Highlights of the financial performance for the year are:

- **Revenue at Rs. 5,004 crore** (US\$ 1,119 million) compared to Rs 5,118 crore (US\$ 1,139 million) in the sequential quarter
- **EBITDA at Rs. 1,668 crore** (US\$ 373 million) compared to Rs 1,660 crore (US\$ 369 million) in the sequential quarter
- **Profit after tax at Rs. 480 crore** (US\$ 107 million) compared to Rs 446 crore (US\$ 99 million) in the sequential quarter

**CORPORATE DEVELOPMENTS****▪ RELIANCE COMMUNICATIONS ANNOUNCES LAUNCH OF 3G SERVICES**

Reliance Communications, India's leading telecom service provider, announced the launch of Reliance 3G Services starting with Delhi, Mumbai, Kolkata and Chandigarh. With the 3G rollout, Reliance Communications becomes the First operator to offer 3G services to customers in the Top 3 Metros of Delhi, Mumbai and Kolkata. Demonstrating its all round execution and innovation capabilities, Reliance Communications has rolled out 3G services in a record time of around 100 days of receiving 3G Spectrum in the major Metros of India.

Reliance Communications will be launching Reliance 3G services across all 13 telecom circles, where it holds 3G licenses, by end of Fiscal 2010-11. The company is targeting a national footprint of Reliance 3G services through associations with other like minded, quality 3G licensees in the balance 9 telecom circles during the course of next year.

**▪ RCOM LAUNCHES MICROSOFT HOSTED EXCHANGE 2010 IN INDIA**

Reliance Internet Data Center (RIDC), the IDC division of Reliance Communications has partnered with Microsoft to launch Reliance Hosted Exchange 2010 - a complete end-to-end e-mailing solution which promotes business messaging and collaboration.

The Reliance Hosted Exchange 2010 eliminates users' needs to invest in hardware, software licenses, security and related management costs by providing a 'pay-per mailbox' Service model. This offers the customer a cost-efficient enterprise class mailing solution without the hassle of managing the same. The solution will deliver features such as active sync mobile devices integration, flexible mail box size, web calendaring facility, remote location archiving, and sender reputation filtering.

RCOM Hosted Exchange 2010 suite will help businesses manage their communication needs mainly email in a highly cost-effective manner by outsourcing the end-to-end management to RIDC in a Reduced Cost to Ownership (RCTO) model.

**▪ RCOM SIGNS MoU WITH CHINA DEVELOPMENT BANK CORPORATION FOR 10 YEAR FINANCING OF US\$1.93 BILLION**

RCOM signed a MoU with China Development Bank Corporation for syndicated loan financing of US\$ 1.93 Billion. The proposed facility has 10 year maturity, and will be funded by a Syndicate including CDB and other Chinese Banks / Financial Institutions. RCOM will benefit from extension of maturity, and substantial savings in interest costs. The facility is subject to necessary approvals, etc.

The MoU covers:

- a) the first and largest Syndicated Loan of US\$ 1.33 billion for refinancing 3G Spectrum Fees; and
- b) financing of up to US\$ 600 million towards 85% of equipment and services to be procured from Huawei and ZTE. This facility is over and above the existing US\$ 750

million facility, already substantially utilized by RCOM for procurement of equipment and services from Huawei and ZTE.

### **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 over 132 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 277,000 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 31/12/10	3 months ended 30/9/10	Increase / (Decrease)
Turnover			
Wireless	4,064	4,161	-2.3%
Global	1,923	1,839	4.6%
Broadband	618	662	-6.5%
Diversified	311	398	-22.0%
<b>Total (post eliminations)</b>	<b>5,004</b>	<b>5,118</b>	<b>-2.2%</b>
EBITDA			
Wireless	1,179	1,210	-2.6%
Global	397	339	17.1%
Broadband	227	248	-8.5%
Diversified	-135	-134	0.7%
<b>Total (post eliminations)</b>	<b>1,668</b>	<b>1,660</b>	<b>0.5%</b>
<b>EBITDA margin</b>	<b>33.3%</b>	<b>32.4%</b>	<b>90 bps</b>
Depreciation	1,034	955	8.2%
Financial Charges (net)	130	280	-53.6%
PBT	505	425	18.9%
Tax	-21	-66	-67.6%
PAT (before minority interest)	526	491	7.2%
Share of minority interest	46	45	2.2%
<b>PAT (after minority interest)</b>	<b>480</b>	<b>446</b>	<b>7.7%</b>