

**RELIANCE COMMUNICATIONS (RCOM) ANNOUNCES ITS FINANCIAL RESULTS
FOR THE QUARTER ENDED DECEMBER 31, 2011**

STABILITY IN REVENUES & OPERATING PROFIT FOR PAST 8 CONSECUTIVE QUARTERS

RCOM TOTAL REVENUES AT RS. 5,052 CRORE
AGAINST RS. 5,040 CRORE IN THE PREVIOUS QUARTER

EBITDA AT RS. 1,611 CRORE, UP BY 0.4%
AGAINST RS. 1,605 CRORE IN THE PREVIOUS QUARTER

EBITDA MARGIN OF 31.9% AMONGST THE HIGHEST IN THE INDUSTRY

PAT AT RS. 186 CRORE

WIRELESS REVENUES AT RS. 4,447 CRORE, UP 0.7%
AGAINST RS. 4,417 CRORE IN THE PREVIOUS QUARTER

WIRELESS EBITDA AT RS. 1,182 CRORE, UP 0.5%
AGAINST RS. 1,176 CRORE IN THE PREVIOUS QUARTER

WIRELESS MINUTES OF USAGE INCREASED BY 1.0% FROM 98.9 BILLION TO 99.9 BILLION
AS COMPARED TO THE PREVIOUS QUARTER

CUSTOMER BASE AT 150.1 MILLION, UP 2.0%
AGAINST 147.1 MILLION IN THE PREVIOUS QUARTER

3G ACTIVE CUSTOMERS AT 2.8 MILLION, HIGHEST IN THE INDUSTRY

REVENUE PER MINUTE 45 PAISE/MIN, AMONGST HIGHEST IN THE INDUSTRY AND STABLE
FOR THE LAST EIGHT CONSECUTIVE QUARTERS

GLOBAL ENTERPRISE BUSINESS UNIT (GEBU) EBITDA REPRESENTS 35% OF CONSOLIDATED
EBITDA, MAINTAINING STEADY PERFORMANCE

RCOM TIES UP REFINANCING FOR REDEMPTION OF OUTSTANDING FCCBS OF USD 1.18 BN.
THIS IS THE LARGEST REFINANCING IN THE HISTORY OF FCCBS BY ANY INDIAN
CORPORATE

RCOM'S LICENSES ARE NOT COVERED BY THE SUPREME COURT JUDGMENT PRONOUNCED
LAST WEEK. RCOM'S LICENSES WERE ALL ISSUED IN 2001 OR PRIOR

Mumbai, February 10, 2012: Reliance Communications Limited (RCOM) today announced its unaudited consolidated financial results for the quarter ended December 31, 2011.

Highlights of the financial performance for the year are:

- Total revenue at **Rs. 5,052 crore** (US\$ 951 million)
- **EBITDA at Rs. 1,611 crore** (US\$ 303 million), **EBITDA margin at 31.9%**, amongst the highest in the industry, with strong contribution from both Wireless and GEBU businesses.
- **Net Profit of Rs. 186 crore** (US\$ 35 million)

KEY HIGHLIGHTS:

1. **Consolidated Revenue & EBITDA:** RCOM total revenues at Rs. 5,052 crore against Rs. 5,040 crore in the previous quarter. EBITDA at Rs. 1,611 crore, with EBITDA margin of 31.9% amongst the highest in the industry. Clear focus on profitable businesses, now delivering consistent EBITDA margins in the industry.
2. **Wireless Revenue & EBITDA:** Wireless revenue at Rs. 4,447 cr., up by 0.7% against Rs. 4,417 cr in the previous quarter. Wireless EBITDA at Rs. 1,182 crore, up by 0.5% as compared to Rs. 1,176 crore in previous quarter. Focus on 'Quality of Operations' continues through driving quality of customers, minutes and portfolio.
3. **RPM:** RPM at 45 Paise/min; amongst the highest in the industry and stable for the last 8 consecutive quarters
4. **Global Enterprise (GEBU) Revenue & EBITDA:** Revenues at Rs. 2,352 crore, up by 0.7% against Rs. 2,335 crore in the previous quarter. EBITDA stable at Rs. 569 crore. EBITDA margin stands at 24.2%.
5. RCOM continues to be free cash flow positive. RCOM generated operational cash flow (EBITDA) of Rs. 1,611 crore in this quarter. Post payment of 3G auction fees and with peak capex behind us, this is the first full year of positive free cash flow (FCF) for the company and this trend will continue in succeeding years.
6. **RCOM ties up refinancing for redemption of outstanding FCCBs of USD 1.18 bn:** Reliance Communications Limited (RCOM) has tied up refinancing for maturity value of its outstanding FCCBs (Foreign Currency Convertible Bonds) of USD 1,182 million. The refinancing is being funded by ICBC, CDB and EXIM and other banks. RCOM will benefit from extended Loan Maturity of 7 years and attractive interest cost of about 5%. The loan proceeds would be used for refinancing the entire redemption amount of Foreign Currency Convertible Bonds (FCCB) which are due for redemption on March 01, 2012. This is the largest refinancing in the history of FCCBs by any Indian Corporate.
7. Last week, honourable Supreme Court pronounced its judgement cancelling 122 licenses issued after 10th January, 2008. RCOM's licenses are not covered by this judgement as they were all issued in 2001 or prior.

About Reliance Communications

Reliance Communications Limited founded by the late Shri Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Group. The Reliance Group currently has a net worth in excess of Rs. 89,000 crore (US\$ 19.7 billion), cash flows of Rs. 10,900 crore (US\$ 2.3 billion), net profit of Rs. 3,600 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 158 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 over 35,000 Indian and multinational corporations including small and medium enterprises 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	<u>Trailing Quarter (3 months ended 30/9/11)</u>	<u>Current Quarter (3 months ended 31/12/11)</u>	<u>Increase / (Decrease)</u>
Turnover			
Wireless	4,417	4,447	0.7%
Global Enterprise	2,335	2,352	0.7%
Diversified	283	229	-19.1%
Total (post eliminations)	5,040	5,052	0.2%
EBITDA			
Wireless	1,176	1,182	0.5%
GEBU	569	569	0.0%
Diversified	-139	-138	0.7%
Total (post eliminations)	1,605	1,611	0.4%
EBITDA margin	31.8%	31.9%	
Depreciation	1,054	978	-7.2%
Financial Charges (net)	227	378	66.5%
PBT	323	255	-21.1%
Tax	1	14	1300.0%
PAT (before minority interest)	322	241	-25.2%
Share of minority interest	70	55	-21.4%
PAT (after minority interest)	252	186	-26.2%