

**Reliance Communications Limited**

Reliance Group

website: www.rcom.co.in

Regd. Office : H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

**Unaudited Financial Results (Standalone) for the Quarter and Nine months ended 31st December, 2011**

( ₹ in Cr - Except EPS and Share Data)

| Sl. No. | Particulars                                                                                               | Quarter ended |              |              | Nine months ended |                | Year ended     |
|---------|-----------------------------------------------------------------------------------------------------------|---------------|--------------|--------------|-------------------|----------------|----------------|
|         |                                                                                                           | 31-Dec-11     | 30-Sep-11    | 31-Dec-10    | 31-Dec-11         | 31-Dec-10      | 31-Mar-11      |
|         |                                                                                                           | Unaudited     | Unaudited    | Unaudited    | Unaudited         | Unaudited      | Audited        |
| 1       | a) Net Income from Operations                                                                             | 2,787         | 2,843        | 2,972        | 8,463             | 9,095          | 11,989         |
|         | b) Other Operating Income                                                                                 | 1             | -            | 5            | 3                 | 141            | 141            |
|         | <b>Total Income</b>                                                                                       | <b>2,788</b>  | <b>2,843</b> | <b>2,977</b> | <b>8,466</b>      | <b>9,236</b>   | <b>12,130</b>  |
| 2       | <b>Expenditure</b>                                                                                        |               |              |              |                   |                |                |
|         | a) Access Charges                                                                                         | 646           | 702          | 706          | 2,067             | 2,055          | 2,759          |
|         | b) License Fee                                                                                            | 247           | 225          | 235          | 685               | 749            | 962            |
|         | c) Employee Cost                                                                                          | 120           | 142          | 160          | 406               | 484            | 608            |
|         | d) Passive Infrastructure Charges                                                                         | 619           | 556          | 1,071        | 1,776             | 3,184          | 3,620          |
|         | e) Depreciation and Amortisation                                                                          | 472           | 391          | 396          | 1,235             | 1,173          | 1,594          |
|         | f) Other Expenses                                                                                         | 890           | 897          | 955          | 2,653             | 2,798          | 3,759          |
|         | <b>Total</b>                                                                                              | <b>2,994</b>  | <b>2,913</b> | <b>3,523</b> | <b>8,822</b>      | <b>10,443</b>  | <b>13,302</b>  |
| 3       | <b>Profit / (Loss) from Operations before Other Income, Financial Charges and Exceptional Items (1-2)</b> | <b>(206)</b>  | <b>(70)</b>  | <b>(546)</b> | <b>(356)</b>      | <b>(1,207)</b> | <b>(1,172)</b> |
| 4       | Other Income                                                                                              | 67            | 8            | 119          | 94                | 135            | 484            |
| 5       | Amortisation of Compensation under Employee Stock Option Scheme                                           | -             | -            | -            | -                 | -              | (7)            |
| 6       | <b>Profit / (Loss) before Financial Charges and Exceptional Items (3+4-5)</b>                             | <b>(139)</b>  | <b>(62)</b>  | <b>(427)</b> | <b>(262)</b>      | <b>(1,072)</b> | <b>(681)</b>   |
| 7       | Financial Charges (Net)                                                                                   | 138           | 37           | (62)         | 386               | 260            | 179            |
| 8       | <b>Profit / (Loss) after Financial Charges but before Exceptional Items (6 - 7)</b>                       | <b>(277)</b>  | <b>(99)</b>  | <b>(365)</b> | <b>(648)</b>      | <b>(1,332)</b> | <b>(860)</b>   |
| 9       | Exceptional Items                                                                                         | -             | -            | -            | -                 | -              | -              |
| 10      | <b>Profit / (Loss) from Ordinary Activities before Tax (8 - 9)</b>                                        | <b>(277)</b>  | <b>(99)</b>  | <b>(365)</b> | <b>(648)</b>      | <b>(1,332)</b> | <b>(860)</b>   |
| 11      | Tax Expenses                                                                                              | (0)           | -            | -            | (0)               | -              | (102)          |
| 12      | <b>Net Profit / (Loss) for the period (10 - 11)</b>                                                       | <b>(277)</b>  | <b>(99)</b>  | <b>(365)</b> | <b>(648)</b>      | <b>(1,332)</b> | <b>(758)</b>   |
| 13      | Paid-up Equity Share Capital (Face Value of Rs.5 each)                                                    | 1,032         | 1,032        | 1,032        | 1,032             | 1,032          | 1,032          |
| 14      | Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year                   |               |              |              |                   |                | 47,031         |
| 15      | <b>Earning per Share (EPS) (not annualised)</b>                                                           |               |              |              |                   |                |                |
|         | i) Basic (Rs.)                                                                                            | (1.34)        | (0.47)       | (1.77)       | (3.14)            | (6.45)         | (3.67)         |
|         | ii) Diluted (Rs.)                                                                                         | (1.34)        | (0.47)       | (1.77)       | (3.14)            | (6.45)         | (3.67)         |

( ₹ In Cr - Except EPS and Share Data)

| Sl. No.                                                   | Particulars                                                                                | Quarter ended |               |               | Nine months ended |                | Year ended    |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------|---------------|---------------|-------------------|----------------|---------------|
|                                                           |                                                                                            | 31-Dec-11     | 30-Sep-11     | 31-Dec-10     | 31-Dec-11         | 31-Dec-10      | 31-Mar-11     |
|                                                           |                                                                                            | Unaudited     | Unaudited     | Unaudited     | Unaudited         | Unaudited      | Audited       |
| 16                                                        | Public Shareholding                                                                        |               | -             |               |                   |                |               |
|                                                           | Number of Shares                                                                           | 663,318,324   | 663,318,324   | 663,296,821   | 663,318,324       | 663,296,821    | 663,296,821   |
|                                                           | Percentage of Shareholding                                                                 | 32.14%        | 32.14%        | 32.14%        | 32.14%            | 32.14%         | 32.14%        |
| 17                                                        | Promoters and Promoter Group Shareholding                                                  |               |               |               |                   |                |               |
|                                                           | a) Pledged / Encumbered                                                                    |               | -             |               |                   |                |               |
|                                                           | - Number of Shares                                                                         | Nil           | Nil           | Nil           | Nil               | Nil            | Nil           |
|                                                           | - Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group) | N.A           | N.A           | NA            | N.A               | N.A            | NA            |
|                                                           | - Percentage of Shares ( as a % of the total share capital of the company)                 | N.A           | N.A           | NA            | N.A               | N.A            | NA            |
|                                                           | b) Non -encumbered                                                                         |               |               |               |                   |                |               |
|                                                           | - Number of Shares                                                                         | 1,400,708,557 | 1,400,708,557 | 1,400,730,060 | 1,400,708,557     | 1,400,730,060  | 1,400,730,060 |
|                                                           | - Percentage of Shares ( as a % of the total shareholding of promoters and Promoter Group) | 100.00%       | 100.00%       | 100.00%       | 100.00%           | 100.00%        | 100.00%       |
|                                                           | - Percentage of Shares ( as a % of the total share capital of the company)                 | 67.86%        | 67.86%        | 67.86%        | 67.86%            | 67.86%         | 67.86%        |
| <b>Segment wise Revenue, Results and Capital Employed</b> |                                                                                            |               |               |               |                   |                |               |
| 18                                                        | <b>Segment Revenue</b>                                                                     |               |               |               |                   |                |               |
|                                                           | a) Wireless                                                                                | 2,339         | 2,341         | 2,594         | 7,027             | 7,989          | 10,231        |
|                                                           | b) GEBU                                                                                    | 1,197         | 1,302         | 1,281         | 3,757             | 3,795          | 5,480         |
|                                                           | c) Others / Unallocated                                                                    | 26            | 8             | 73            | 53                | 117            | 284           |
|                                                           | <b>Total</b>                                                                               | <b>3,562</b>  | <b>3,651</b>  | <b>3,948</b>  | <b>10,837</b>     | <b>11,901</b>  | <b>15,995</b> |
|                                                           | Less: Inter segment revenue                                                                | 707           | 800           | 852           | 2,277             | 2,530          | 3,381         |
|                                                           | <b>Net Income from Operations</b>                                                          | <b>2,855</b>  | <b>2,851</b>  | <b>3,096</b>  | <b>8,560</b>      | <b>9,371</b>   | <b>12,614</b> |
| 19                                                        | <b>Segment Results</b>                                                                     |               |               |               |                   |                |               |
|                                                           | Profit / (Loss) before Tax and Financial Charges from each segment                         |               |               |               |                   |                |               |
|                                                           | a) Wireless                                                                                | (65)          | 7             | (154)         | (85)              | (296)          | 27            |
|                                                           | b) GEBU                                                                                    | 116           | 111           | (167)         | 353               | (289)          | (222)         |
|                                                           | c) Others / Unallocated                                                                    | (190)         | (180)         | (106)         | (530)             | (487)          | (493)         |
|                                                           | <b>Total</b>                                                                               | <b>(139)</b>  | <b>(62)</b>   | <b>(427)</b>  | <b>(262)</b>      | <b>(1,072)</b> | <b>(688)</b>  |
|                                                           | Less : Financial Charges (Net)                                                             | 138           | 37            | (62)          | 386               | 260            | 179           |
|                                                           | Less : Exceptional Items                                                                   | -             | -             | -             | -                 | -              | -             |
|                                                           | Less : Amortisation of Compensation under Employee Stock Option Scheme                     | -             | -             | -             | -                 | -              | (7)           |
|                                                           | <b>Total Profit / (Loss) before Tax</b>                                                    | <b>(277)</b>  | <b>(99)</b>   | <b>(365)</b>  | <b>(648)</b>      | <b>(1,332)</b> | <b>(860)</b>  |
| 20                                                        | <b>Capital Employed</b>                                                                    |               |               |               |                   |                |               |
|                                                           | (Segment assets - Segment liabilities)                                                     |               |               |               |                   |                |               |
|                                                           | a) Wireless                                                                                | 32,680        | 30,384        | 32,524        | 32,680            | 32,524         | 33,572        |
|                                                           | b) GEBU                                                                                    | 2,924         | 3,251         | 3,459         | 2,924             | 3,459          | 2,992         |
|                                                           | c) Others / Unallocated                                                                    | 40,509        | 40,646        | 40,417        | 40,509            | 40,417         | 43,033        |
|                                                           | <b>Total</b>                                                                               | <b>76,113</b> | <b>74,281</b> | <b>76,400</b> | <b>76,113</b>     | <b>76,400</b>  | <b>79,597</b> |

## Notes

1. Figures of the previous period have been regrouped and reclassified, wherever required.
2. Pursuant to the notification dated 29<sup>th</sup> December, 2011 issued by the Ministry of Corporate Affairs (MCA), the Company has exercised the option of capitalizing/ amortizing of exchange difference arising on reporting of long term foreign currency monetary items in respect of accounting periods commencing from 1<sup>st</sup> April, 2011. As a result, such exchange differences for nine months ended on 31<sup>st</sup> December, 2011 of ₹3,288 crore relating to the acquisition of depreciable capital assets have been added to the cost of capitalized assets to be depreciated over the balance useful life of the assets. The Company is in the process of allocating such exchange difference to individual assets in accordance with the requirements of the applicable accounting standards. Amount if any, remaining to be capitalized will be added to the amount withdrawable from the reserve as stated in para below, leaving no impact on profit and loss account. Further, the Company has accumulated foreign currency variations of ₹ 217 crore arising on other long-term foreign currency monetary items in "Foreign Currency Monetary item Translation Difference account" which will be amortized over the balance period of loans.

During the quarter and nine months ended on 31<sup>st</sup> December, 2011, the Company has seen variation of ₹ 224 crore and ₹ 589 crore respectively on account of changes in exchange rates relating to monetary items, other than long-term monetary items. Finance charges are net of such variation which is withdrawable from General Reserve, as determined by the Board, in accordance with the terms of the Scheme of Arrangement ("the Scheme") sanctioned on 29<sup>th</sup> April, 2011 by the Hon'ble High Court of Judicature at Mumbai leaving no impact on the profit and loss account of the quarter and nine months ended on 31<sup>st</sup> December, 2011.

3. The Company is operating with Wireless, GEBU and Others / Unallocated segments. Accordingly, segment-wise information has been given. This is in line with the requirement of AS 17 "Segment Reporting".
4. No complaint from Investors was pending for redressal at the beginning and end of the quarter. During the quarter, 16 complaints were received and all the complaints were resolved.
5. After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 10<sup>th</sup> February, 2012 and the same is subjected to limited review.

**For Reliance Communications Limited**

Place: Mumbai  
Date: 10<sup>th</sup> February, 2012

**Anil D. Ambani**  
**Chairman**