

RELIANCE COMMUNICATIONS (RCOM) OUTLINES ALTERNATE PLANS FOR DEBT REDUCTION AS STATED BY CHAIRMAN, ANIL D. AMBANI, AT RECENT AGM

UNLIMITED FREE VOICE OFFERS AND IRRATIONAL PRICING BY ALL INDUSTRY PARTICIPANTS HAVE DESTROYED PROFITABILITY OF TRADITIONAL 2G / 3G MOBILE BUSINESS

RCOM HAS CAPITAL-LIGHT ACCESS TO INDIA'S MOST EXTENSIVE NATIONWIDE 4G MOBILE NETWORK THROUGH SPECTRUM SHARING AND ICR AGREEMENTS WITH JIO

COMBINATION OF SSTL'S MOBILE BUSINESS WITH RCOM TO BE COMPLETED THIS MONTH BRINGING IN 30 MHZ OF 4G SPECTRUM VALID TILL 2033 I.E. 16 YEARS

RCOM TO EVALUATE ALTERNATE PLAN FOR MOBILE BUSINESS THROUGH OPTIMISATION OF SPECTRUM PORTFOLIO AND 4G FOCUSED STRATEGY

ADOPTION OF 4G FOCUSED MOBILE STRATEGY TO ELIMINATE ONLY LOSS MAKING SEGMENT IN RCOM'S BUSINESS PORTFOLIO

MERGER AGREEMENTS WITH AIRCEL ALLOWED TO LAPSE BY MUTUAL CONSENT:

- **INORDINATE DELAYS CAUSED BY LEGAL AND REGULATORY UNCERTAINTIES**
 - **VARIOUS INTERVENTIONS BY VESTED INTERESTS**
- **POLICY DIRECTIVES IMPACTING BANK FINANCING FOR TELECOM**
 - **CHANGED INDUSTRY DYNAMICS**

RCOM'S FUTURE GROWTH STRATEGY FOCUSED ON HIGHER GROWTH HIGHER MARGIN BUSINESS TO BUSINESS (B2B) NON MOBILE BUSINESSES

RCOM'S B2B BUSINESSES INCLUDE GLOBAL AND INDIAN ENTERPRISE, INTERNET DATA CENTRES (IDC) AND GLOBAL SUBMARINE CABLE NETWORK

RCOM EXPECTS MONETISATION OF TOWER AND FIBRE ASSETS AND REAL ESTATE, AND OPTIMISATION OF SPECTRUM PORTFOLIO, TO GENERATE PROCEEDS OF OVER RS 25,000 CRORE FOR DEBT REDUCTION

RCOM'S SPECTRUM PORTFOLIO HAS GROSS VALUE OF OVER RS 19,000 CRORE FOR BALANCE VALIDITY PERIOD, BASED ON LAST AUCTION PRICING

INDEPENDENT THIRD PARTY VALUATION FOR DEVELOPMENT OF 125 ACRE PRIME REAL ESTATE IN NAVI MUMBAI ESTABLISHES SIGNIFICANTLY HIGHER PRESENT VALUE MONETISATION POTENTIAL OF RS 10,000 CRORE

RCOM IN ADVANCED DISCUSSIONS WITH BANKS FOR BALANCE DEBT POST DELEVERAGING

RCOM CONTINUES TO BE UNDER SDR STANDSTILL PERIOD TILL DECEMBER 2018

Mumbai, October 1, 2017: The Board of Directors of Reliance Communications Limited (RCOM) at its meeting held today in Mumbai, reviewed the ongoing strategic transformation programme, and considered alternate plans for debt reduction.

Mobile Business

The Board decided that RCOM will evaluate an alternate plan for its mobile business, through optimization of its spectrum portfolio and adoption of a 4G focused mobile strategy.

RCOM already has the unique advantage of capital light access to India's most extensive world class nationwide 4G mobile network through spectrum sharing and ICR Agreements with Reliance Jio.

The combination of the mobile business of Sistema Shyam Teleservices Ltd (SSTL) into RCOM is also expected to be completed this month. The addition of SSTL's valuable spectrum holdings in the 800-850 MHz band will strengthen RCOM's spectrum portfolio by 30 Mhz, and extend the Company's spectrum validity period in 8 important circles in the country till the year 2033 i.e. for another 16 years.

The Company has valuable spectrum across 800/900/1800/2100 Mhz spectrum bands aggregating 200 Mhz, valued at over Rs 19,000 crore for the balance of validity period, based on last auction pricing. The Company will evaluate opportunities for monetization of the same through trading and sharing arrangements.

Merger of mobile business of RCom and Aircel lapses with mutual consent

RCOM and Aircel Limited (Aircel) had signed binding agreements in September 2016 for the merger of RCOM's mobile businesses with Aircel. Legal and regulatory uncertainties, and various interventions by vested interests, have caused inordinate delays in receipt of relevant approvals for the proposed transaction.

Unprecedented competitive intensity in the Indian telecom sector, together with fresh policy directives adversely impacting bank financing for this sector, have also seriously affected industry dynamics. As a result of the various factors aforesaid, the merger agreement has lapsed. The Board approved the same.

Focus on domestic and overseas B2B Business

RCOM is an integrated communications service provider with valuable B2B businesses, including Enterprise, Carrier, Internet Data Centre and global submarine cable network in India and overseas across continents.

These B2B Businesses generate equal revenues from domestic and overseas operations. As part of the ongoing transformation and in order to enhance value for all stakeholders, the RCOM Board reaffirmed the focus on these stable, capital light B2B businesses which have sustained and predictable revenues and profits, with immense growth potential.

Real Estate Monetization

The Company has made good progress in its monetization plans for prime real estate assets, including at Dhirubhai Ambani Knowledge City, Navi Mumbai admeasuring nearly 125 acres, with development rights of potentially over 17 million sq. ft. and prime property near Connaught Place, New Delhi admeasuring nearly 4 acres.

Indications of interest from leading developers, and independent third party valuations, have established significantly higher present value monetization potential of Rs 10,000 Crore for the DAKC Complex alone. The company is engaged with leading global and domestic players, and expects to finalize Developments Agreements through an open and transparent process over the next few months.

Tower and Fiber Monetization

The company will continue to implement its plans for monetization of its Tower and Fiber assets, as already announced.

Standstill

The Company continues to be under a standstill period till December 2018 and expects to complete the SDR process as per applicable guidelines. Shareholders of the Company at the Annual General Meeting held on September 26, 2017 have already approved issuance of equity shares to lenders by conversion of loans.

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 had a net worth in excess of Rs 93,500 crore (US \$14.1 billion), cash flows of Rs 10,200 crore (US \$1.7 billion), net profit of Rs 4,700 crore (US \$0.8 billion).

Reliance Communications is India's foremost and truly-integrated telecommunications service provider. The Company has a customer base of over 80 million, including over 2.6 million individual overseas retail customers. Reliance Communications' corporate clientele includes over 39,000 Indian and multinational corporations, including small and medium enterprises, and over 290 global, regional and domestic carriers.

Reliance Communications has established a pan-India, Next-Generation, integrated (mobile and wireline), convergent (voice, data and video) digital network that is capable of supporting best-in-class services spanning the entire communications value chain, covering over 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest Next-Generation IP-enabled connectivity infrastructure, comprising over 280,000 kilometers of fiber optic cable systems in India, USA, Europe, the Middle-East and the Asia-Pacific region.

For details, please contact:

Rajeev Narayan

Reliance Communications

Mobile: +91 9310414119

E-Mail: rajeev.narayan@relianceada.com

**Reliance Communications Limited, Registered Office: H, Block, 1st Floor,
Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710 & CIN: L45309MH2004PLC147531**