



**RELIANCE COMMUNICATIONS LTD. (RCOM)
BOND HOLDERS APPROVED THE ASSET MONETIZATION**

**RCOM'S US\$ 300 MN BONDHOLDERS
AT THEIR MEETING HELD ON MARCH 20, 2018, AT LONDON,
APPROVED WITH OVERWHELMING MAJORITY THE FOLLOWING:**

- **SALE OF CERTAIN ASSETS TO RELIANCE JIO INFOCOMM**
 - **SALE OF OTHER REAL ESTATE ASSETS**
 - **RELEASE OF SECURITY ON THE ASSETS**
- **ACCEPTING PART PREPAYMENT OF OUTSTANDING BONDS**

Mumbai, March 21, 2018: The holders of the Company's US\$ 300 million Bonds, at their meeting held on March 20, 2018, at London, approved with overwhelming majority the sale of assets to Reliance Jio Infocomm Limited and also monetization of other real estate assets. The Bond holders also approved release of their security on the Company's assets and to accept part prepayment of their outstanding Bonds. The Press Release filed with Singapore Stock Exchange is enclosed.

About Reliance Communications

Reliance Communications Limited, founded by the late Shri Dhirubhai H Ambani (1932-2002), corporate clientele includes 40,000 Indian and multinational corporations including small and medium enterprises.

Reliance Communications has established a pan-India, Next-Generation, digital network that is capable of supporting best-of-class services spanning the entire communications value chain. Reliance Communications owns and operates the world's largest Next-Generation IP-enabled connectivity infrastructure, comprising fibre optic cable systems in India, the USA, Europe, Middle East and the Asia Pacific region.

Website: www.rcom.co.in

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APPROVAL OF EXTRAORDINARY RESOLUTIONS BY NOTEHOLDERS TO SUPPORT THE GROUP'S ASSET MONETIZATION PLAN

APPROVED RESOLUTIONS PERMIT THE PARTIAL RELEASE OF NOTEHOLDER COLLATERAL TO EFFECT THE RELIANCE JIO ASSET SALE, AND THE MANDATORY PARTIAL REDEMPTION OF NOTES WITH JIO ASSET SALES PROCEEDS

**DISCUSSIONS WITH NOTEHOLDERS REMAIN ONGOING WITH RESPECT TO
RESTRUCTURING TERMS – NO CHANGE TO INTEREST RATE OR MATURITY DATE OF THE
NOTES UNDER THE AGREED RESOLUTIONS**

**SIGNIFICANT MILESTONE IN RELATION TO THE ASSET MONETIZATION PLAN WHICH
FACILITATES THE GROUP'S BROADER ZERO WRITE-OFF DEBT RESOLUTION PLAN
ANNOUNCED IN OCTOBER 2017**

Reference is made to the announcements of Reliance Communications Limited ("RCOM" or the "Company", and together with its subsidiaries, the "Group") dated 7 March 2018, 12 February 2018, 28 December 2017 and 26 December 2017. Capitalised terms used in this announcement and not defined herein shall have the meanings ascribed to them in the Notice of Meeting and Notice of Adjourned Meeting published by the Company on 12 February 2018 and 8 March 2018, respectively, or the Trust Deed dated 6 May 2015, as supplemented by the First Supplemental Trust Deed (defined below).

Mumbai, 20 March 2018: RCOM is pleased to announce that the required majority of holders of its US\$300 million 6.5% senior secured notes due 2020 ("Notes" and holders thereof, the "Noteholders") have voted in favour of approving the First Extraordinary Resolution and the Second Extraordinary Resolution (collectively, the "Approved Resolutions") at the Adjourned Meeting held today in London. Noteholders holding in aggregate 44% of the principal amount of outstanding Notes were present or represented at the Adjourned Meeting, with 81% of the votes being cast in favour of the Approved Resolutions.

Accordingly, the Company is pleased to announce that the Approved Resolutions have been incorporated into a supplemental trust deed modifying the Trust Deed dated 6 May 2015

constituting the Notes (the "**First Supplemental Trust Deed**") implemented with effect on and from 20 March 2018.

As outlined in RCOM's Notice of Meeting to Noteholders dated 12 February 2018, the Approved Resolutions permit *inter alia* the sale of certain assets by the Company to Reliance Jio Infocomm Limited ("Reliance Jio") by:

- Modifying certain conditions to the Notes with respect to restricted subsidiaries and release of Collateral;
- Consenting to the retirement of Standard Chartered as the current Note Trustee and approving the appointment of Madison Pacific Trust Limited as Replacement Trustee; and
- Permitting the mandatory partial redemption of Notes at par, *pro rata*, on three separate payment dates with proceeds stemming from the Reliance Jio Sale and monetization of other real estate assets.

Background

As previously announced on 28 December 2017, RCOM signed definitive binding agreements with Reliance Jio for the sale of the Group's wireless, spectrum, tower, fiber and media convergence node assets (the "**Reliance Jio Sale**"). At the time of the announcement, the transaction with Reliance Jio was expected to close in a phased manner in early 2018 subject to lender consent and receiving other requisite approvals. Noteholder consent was a specific prerequisite to effectuating the Reliance Jio Sale.

The Company convened a meeting of Noteholders on 6 March 2018, which was adjourned for want of a quorum to 20 March 2018, to consider, and if thought fit, approve certain proposals in the context of the broader restructuring and recapitalisation of the Group. The Company notified Noteholders on 12 March 2018 that it had withdrawn the Third Extraordinary Resolution from being proposed for a vote at the Adjourned Meeting that related to the adjustment of material payment terms on the Notes, specifically a reduction in coupon rate and an extension of maturity. For the avoidance of doubt, the Approved Resolutions do not amend payment terms on the Notes with the exception of certain modifications to interest payable in the period from the date of the First Partial Redemption to the date of the Third Partial Redemption.

Further Modifications to the First Supplemental Trust Deed

In conjunction with the Approved Resolutions, further modifications have been reflected in the First Supplemental Trust Deed by the Trustee, as permitted under the Trust Deed, which provide additional protections deemed not to be materially prejudicial to the interests of Noteholders. Specifically, these modifications provide:

- That release of any Collateral under the Notes will be conditional upon receipt of 90% of the consideration payable with respect to such Collateral pursuant to the Reliance Jio Sale;
- Milestones relating to the redemption of the Notes with the proceeds of the Reliance Jio Sale in accordance with the terms outlined in the Second Extraordinary Resolution as follows:
 - First Partial Redemption to occur no later than 15 June 2018;
 - Second Partial Redemption to occur no later than the earlier of (i) seven business days from the grant of the Spectrum Contiguity Matter Relief; and (ii) 30 June 2018; and
 - Third Partial Redemption to occur no later than seven business days following the Escrow Hold Back Date; and
- Milestones relating to the restructuring of the Notes in accordance with the Company's broader debt resolution plan:
 - Meeting between RCOM and Noteholders' advisors to discuss the terms of the restructuring of the Notes to occur on or before 15 April 2018;
 - Restructuring support agreement entered into between RCOM and Noteholders on or before 30 June 2018; and
 - Restructuring of the Notes to be completed on or before 31 August 2018.

Resolution Support Deed

In exchange for obtaining the requisite Noteholder support required to pass the Approved Resolutions, on 20 March 2018, RCOM entered into a Resolution Support Deed ("RSD") with an ad hoc committee ("AHC") of Noteholders who hold approximately 19% of the principal amount outstanding under the Notes. The RSD provides additional undertakings and protections to Noteholders as regards the Company's broader asset monetization and debt resolution plans, which include *inter alia* the following:

- Acknowledging that accrued and unpaid interest is still owed on the Notes and such interest will be included in the consideration for a restructuring of the Notes;
- Undertaking to ensure that Noteholders are treated no less favourably than any other secured creditor of the Group in connection with a restructuring of the Notes;
- Undertaking to provide the AHC and its advisors access to all information shared with other creditors of the group and such information that is reasonably required in connection with a restructuring of the Notes; and
- Undertaking to pay a cash fee equivalent to 1.00% of the principal amount outstanding under the Notes to the AHC on or before 30 June 2018 from the Second Redemption Payment Amount.

Restructuring of Other Secured Debt of the Group

The Group's asset monetization plan, comprised of the sale of its spectrum, tower, fibre, telecommunications infrastructure and select real estate assets is required to close by 31 March 2018, subject to obtaining certain lender consents and regulatory approvals. As currently contemplated, the Group's secured creditors (including its bank lenders and the Noteholders) are expected to be repaid or redeemed, as applicable, on a *pro rata* basis, from the net proceeds of the asset monetization plan, subject to agreed holdbacks relating to *inter alia* ongoing discussions amongst a group of lenders representing c. 3% of the Group's financial indebtedness that are claiming priority payments from a particular asset sale. Following the completion of the asset monetization plan, the debt and liabilities of the Company will be reduced by approximately 250,000 million Rupees (US\$3,852 million)¹. The restructuring plan, as previously reported, reflects zero write-off for lenders and Noteholders.

A special purpose vehicle holding 125 acres of prime real estate at Dhirubhai Ambani Knowledge City, Navi Mumbai, with approximately 20 million square feet of development potential is expected to assume non-recourse long-term debt financing of up to 70,000 million Rupees (US\$1,079 million)¹. The Company is also in discussions with a global strategic partner for a further debt reduction which will occur upon a stake sale process that is already underway. To bridge the successful completion of the stake sale, the Company is considering two instruments that would have a de minimis interest rate. The majority of said instruments would have a long-dated maturity and be repaid upon the completion of various milestones, including the ongoing stake sale; whereas the remaining instruments would include a conversion feature within a shorter stipulated timeframe. The Company's final residual financial debt is expected to be up to 70,000 million Rupees (US\$1,079 million)¹ upon completion of all transactions.

The relevant terms of the reinstated bank lenders' debt in the Company is expected to include a maturity extension and an interest rate between 6 to 10%. The relevant terms of the debt assumed by Dhirubhai Ambani Knowledge City, Navi Mumbai is expected to include a maturity extension and an interest rate between 2 to 5%. Both facilities are anticipated to have a back-ended amortization profile. The anticipated restructuring envisages creating a new holding company between RCOM and its subsidiaries and demerging the India Enterprise business from the Company into a new subsidiary under the newly created holding company. The combination of the above transactions will lead to a 85% reduction in the Group's total debt and liabilities.

Remaining RCOM

The Group's continuing operations will comprise stable and profitable B2B focused business segments, including Indian and Global Enterprise, Indian Data Centres and one of the largest private submarine cable networks in the world. It is anticipated that, between fiscal year

¹ Illustratively assumes foreign exchange rate of 64.895 Indian rupees per United States dollar.

end 2018 and 2022, the continuing business will generate total revenues of approximately 54,000 million and 68,000 million Rupees (US\$832 million and US\$1,048 million)¹ per annum and EBITDA of between 11,200 million and 15,000 million Rupees (US\$173 million and US\$231 million)² per annum, with a spend of between 1,530 million and 3,450 million Rupees (US\$24 million and US\$53 million)² per annum on capital expenditures.

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² Illustratively assumes foreign exchange rate of 64.895 Indian rupees per United States dollar.