

Reliance Communications

Investor Presentation

August, 2011

RELIANCE

Forward looking statements – Important Note

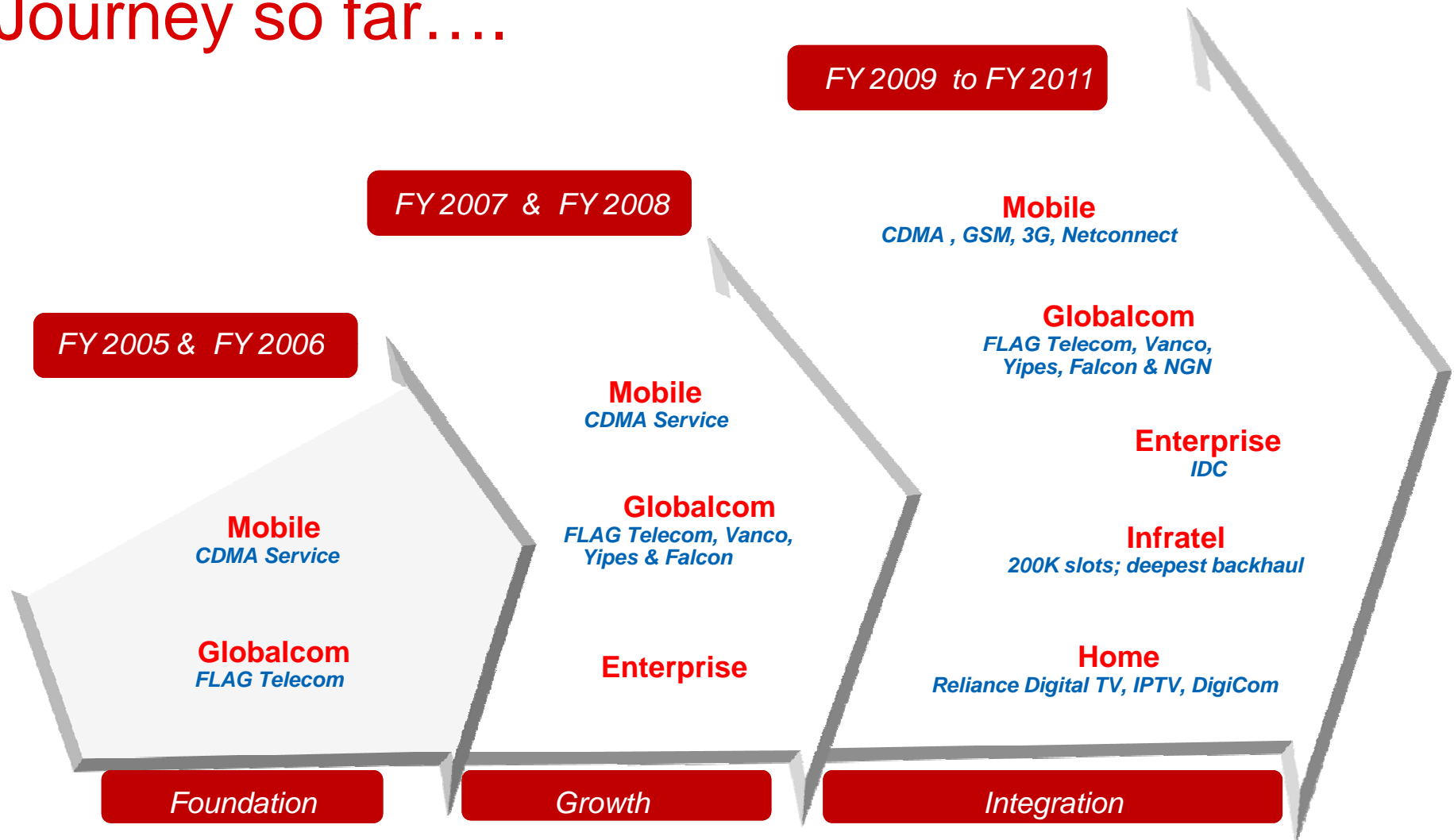
This presentation and the discussion that follows may contain “forward looking statements” by Reliance Communications Ltd (“RCOM”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the directors and management of RCOM about the business, industry and markets in which RCOM operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond RCOM’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of RCOM. In particular, such statements should not be regarded as a projection of future performance of RCOM. It should be noted that the actual performance or achievements of RCOM may vary significantly from such statements.

Contents

Reliance Communications – an integrated telco

- Wireless
 - Global Enterprise
 - Home
-
- Key takeaways

Journey so far....



Evolution path towards a profitable integrated Telco

Current position of our businesses

Wireless

- ❑ #2 in India, #4 globally (single country), dual technology
- ❑ 3G license in 13 circles (highest number of circles by single operator)
- ❑ Pan India data leadership

Global Enterprise

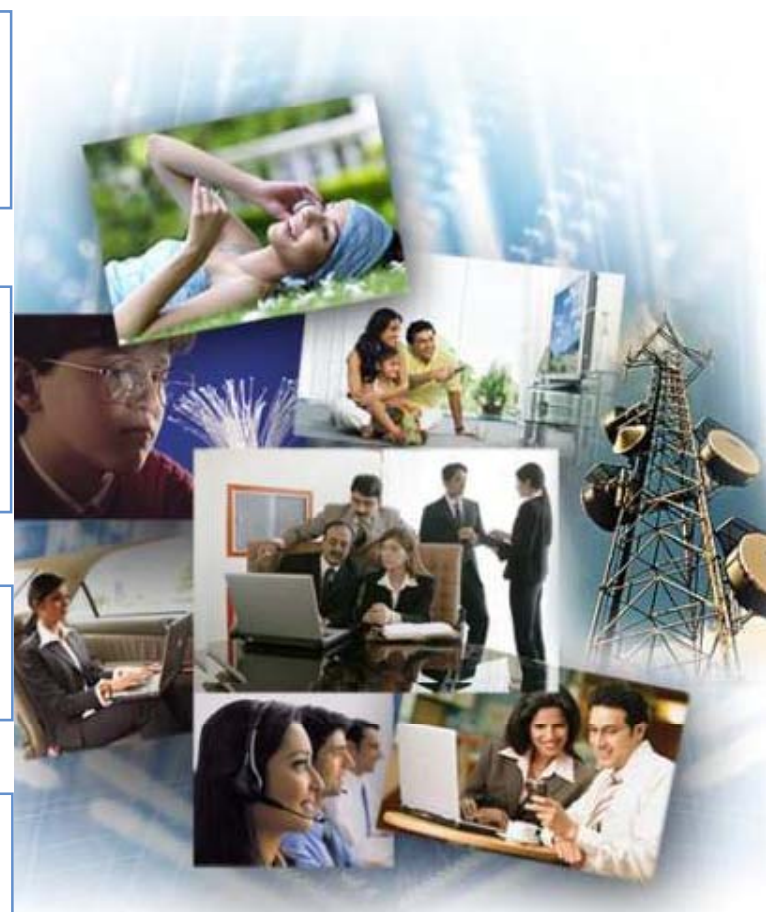
- ❑ Largest global private submarine cable network, blue-chip global clients
- ❑ One stop shop for all large corporates and SMBs for communications, networking and IT infrastructure needs

Infratel

- ❑ 200k+ slots, unique ability to provide space and connectivity

Home

- ❑ Rapidly growing national DTH business, rich content access



Strong market presence in every business

Strategy for focused and profitable growth

Wireless



- ❑ Address mass mobility market thru' GSM with special focus on rural distribution
- ❑ Consolidate data market leadership with high ARPU 3G services & high speed datacards
- ❑ Increased revenue from new service streams (share of VAS & In-roaming revenue)

Global Enterprise



- ❑ Sign long term contracts with existing and new operators to provide pan-India infrastructure and bandwidth
- ❑ Complete NGN Mediterranean and continue to maintain leadership in the Carriers Carrier market
- ❑ Increasing IDC capacity and launching new high margin product/service lines
- ❑ Expanding Managed Services portfolio for higher share of customer's wallet and to increase stickiness of our products

Infratel



- ❑ Maximize revenues from existing assets of Towers, OFC & Ducts
- ❑ Huge potential of value unlocking for Reliance Communication shareholders

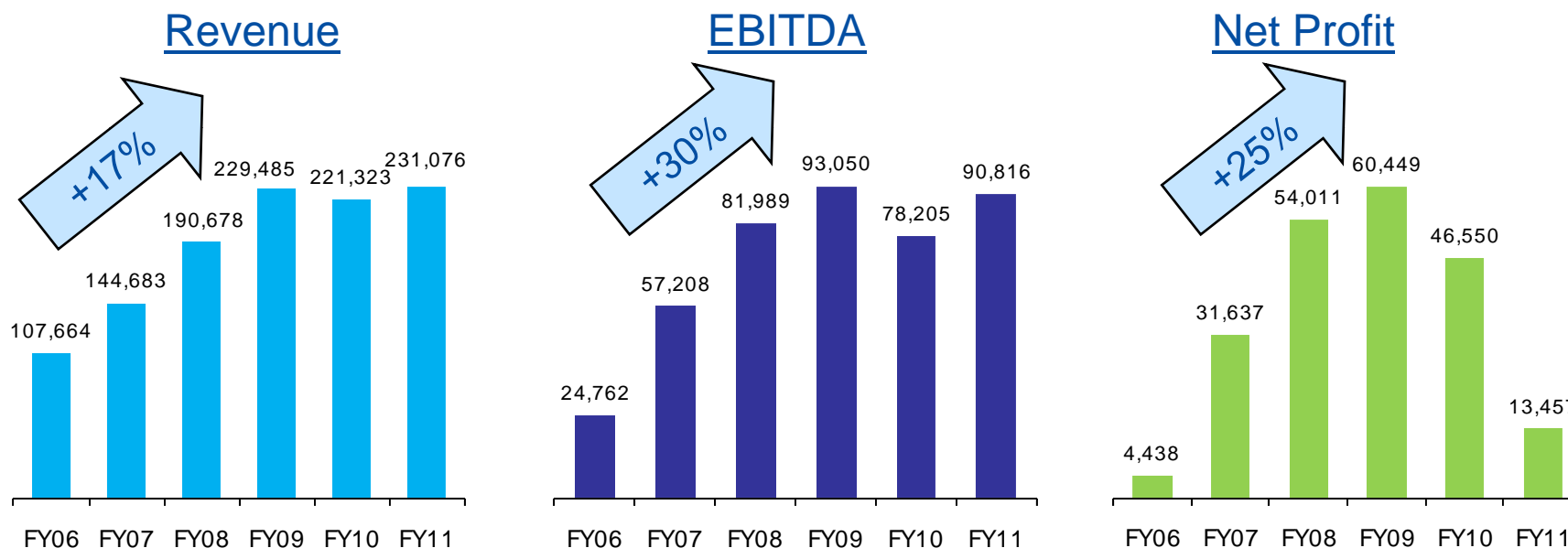
Home



- ❑ Aggressive acquisitions to build the subscriber base for long-term revenue
- ❑ Rigorous program management framework for capex and opex cost efficiencies, esp. Set-top box and Content

Financial Highlights

Key Financial Parameters (Rs. Mn)



Maintaining Revenue & EBITDA levels in hyper competitive market

Contents

- ❑ Reliance Communications – an integrated telco

Wireless

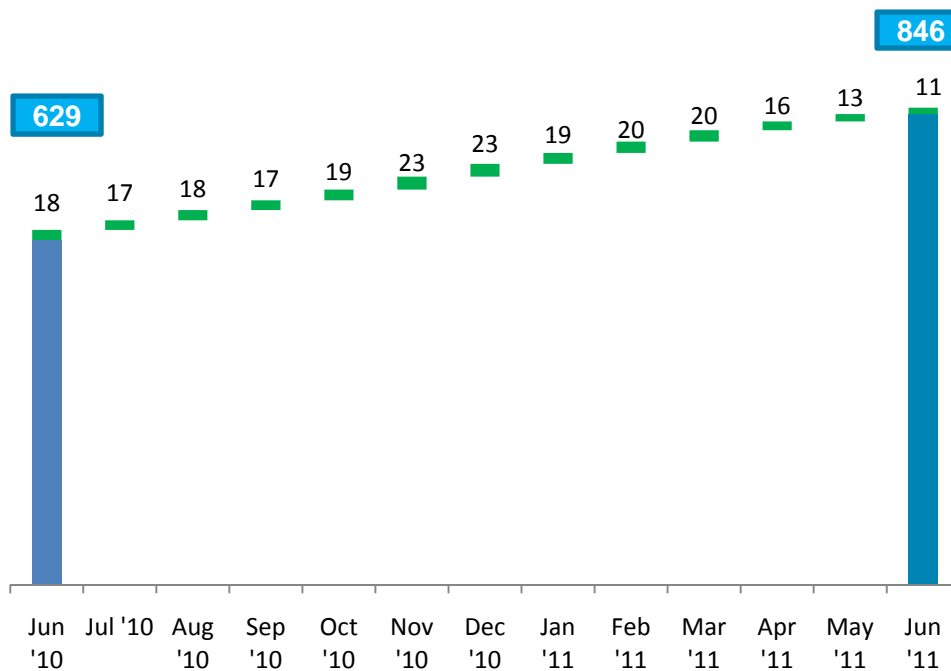
- Global Enterprise
- Home

- ❑ Key takeaways

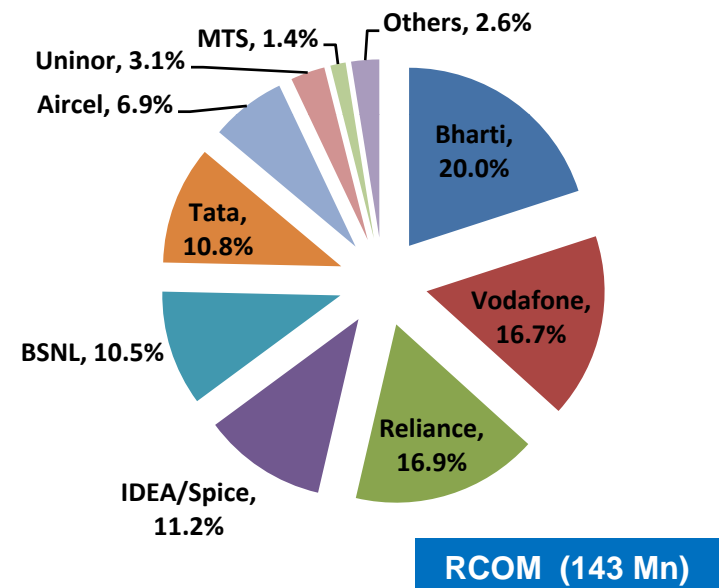
Industry outlook : India's growing mobile market

India, the world's fastest growing & second biggest mobile market, has fifteen telecom service providers.

Industry Subscriber Net Additions



Customer Market Share



Source: TRAI

RCOM maintained its Customer Market Share (CMS) and continue to add around 2.5 Mn. customers every month

Strengths of Wireless Business

- 1 Dual technology advantage
- 2 Data leader (3G + HSD / EVDO)
- 3 143 Million customer base
- 4 3G License winner in 13 circles
(All 900 Mhz circles covered)
- 5 Integrated Telco with segmented play

All this with only 7 years of existence in industry as compared to 15+ years for competition

India's billion people can now expect an unbeatable choice and value proposition across....

1.

Coverage

2.

Customer choice

3.

Product & Service innovations

4.

Distribution & Reach

Unmatched customer proposition

Coverage



24,000 Towns

600,000 Villages

1 Billion Indians



Voice

Data

VAS



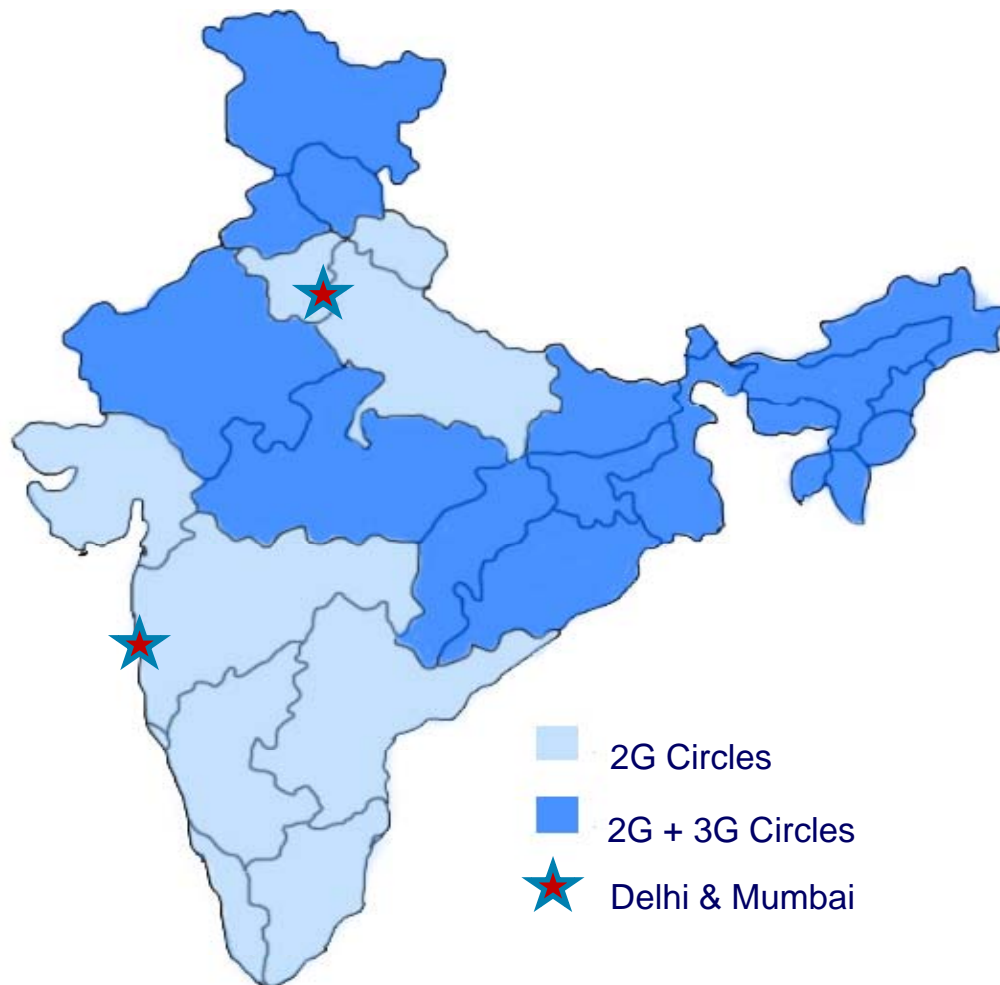
CDMA



GSM

Seamless coverage wherever you go

Coverage : 3G license in 13 circles



Won 13 circles with a spend of Rs. 8,585cr



Geographical mix of top 3 metros, 4 "B" circles & 6 "C" circles



Marginal capex for 3G upgrade on our EDGE GSM network

Nationwide EVDO/ 3G footprint; Pan-India data leadership

Coverage : Launched 3G within 100 days of receiving the spectrum

- ❑ 3G services kick off in 3 key metros of Mumbai, Delhi & Kolkata and city of Chandigarh on 13th December, 2010
- ❑ Currently, 3G services are available in 333+ cities & towns



Coverage : High Speed Data (HSD) in 800+ towns

Enjoy speed with India's superfast wireless broadband

Now available in over 500 towns
Unlimited Internet plan starting at ₹750*

RELIANCE
Netconnect+
Now at ₹1599

RELIANCE Netconnect+
USB Modem

SMS NC to 55454 or visit www.rcom.co.in

Broadband offers maximum speed of upto 3.1Mbps and a minimum speed of 256 Kbps. Subject to technical feasibility. *Conditions Apply

Competitive differentiation

- ❑ Fastest internet broadband (High Speed Data) service in India's top 800+ cities & towns
- ❑ Seamless handover & connectivity through CDMA 1X in over 20K towns
- ❑ Wide reach compared to limited reach of wireline networks
 - Broadband coverage expansion the wireless way
- ❑ ARPUs are 3-4 times higher than the voice usage
- ❑ Increased capacity utilization in CDMA network
- ❑ Easy availability & instant activation within minutes compared to few weeks or even months in case of wired broadband

Fastest internet connectivity under wireless platform

Customer Choice

Mobile Handheld

Voice



CDMA



GSM

Data



Video



Dongles

3G HSPA



CDMA HSD



Wide options for Voice, Data & Video across CDMA & GSM platforms

Product & Service innovations: Reliance 3G Tab



Reliance 3G Network



Fully Featured Phone
SMS, MMS, and FM Radio



7 inch Thin Film Transistor (TFT)
capacitive multi-touch screen



Dual camera (front and rear)
Photographs & Video Recording



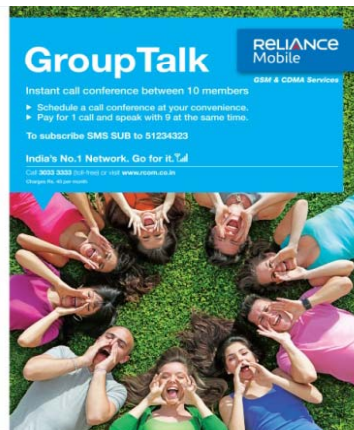
Wi-Fi & Bluetooth enabled
Personal Wi-Fi Hotspot allowing to
connect with up to 5 Wi-Fi enabled
devices (Laptop, Mobile, PC etc ...)

Android 2.3
(Gingerbread)

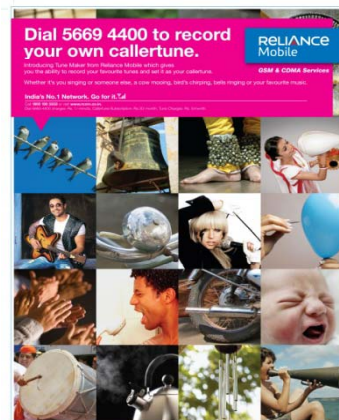


Product & Service innovations

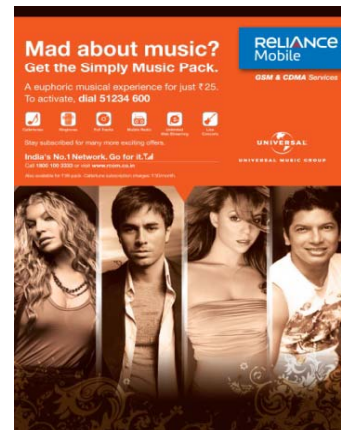
Group Talk



Tune Maker



Simply Music



Nokia Life Tools



Bubbly (voice twitter)

App Store



Location Based Services



WAP Portal



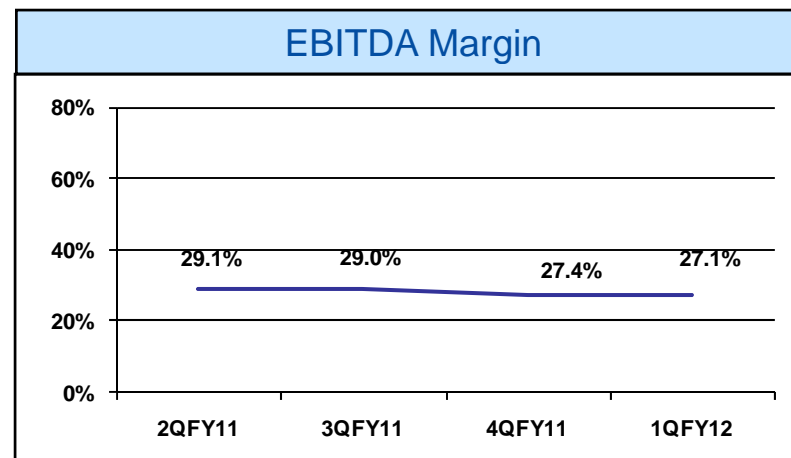
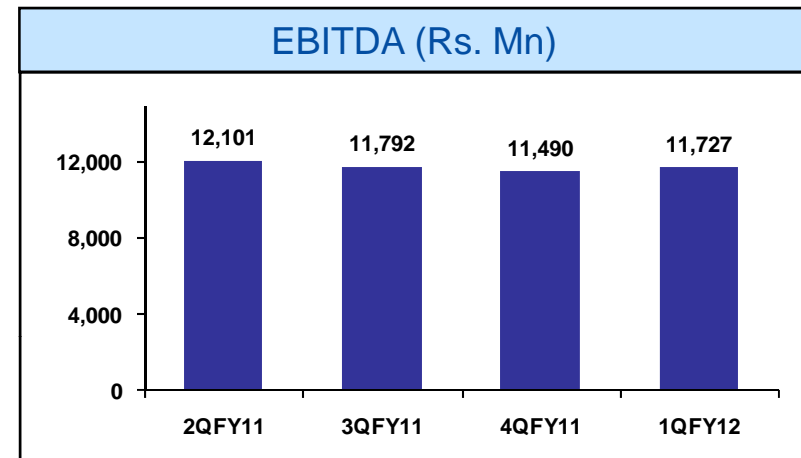
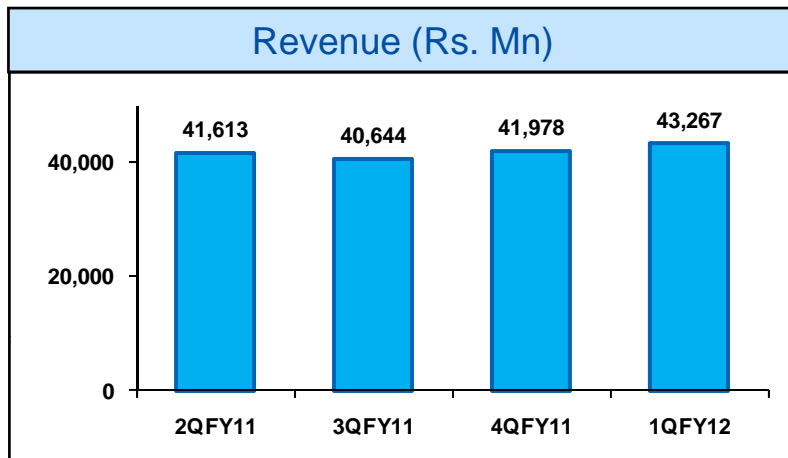
Distribution & Reach

- ❑ World-class design , fit out & ambience at 2,000 exclusive retail showrooms on High streets/Malls
- ❑ High quality reach & national footprint through 5,000 distributors & 900,000 retailers
- ❑ 5,000+ Direct & indirect outbound sales force to cater to customers at their premises
- ❑ Dimensioned to handle over 35 mn sales transactions annually



One of the largest retail distribution network in the industry

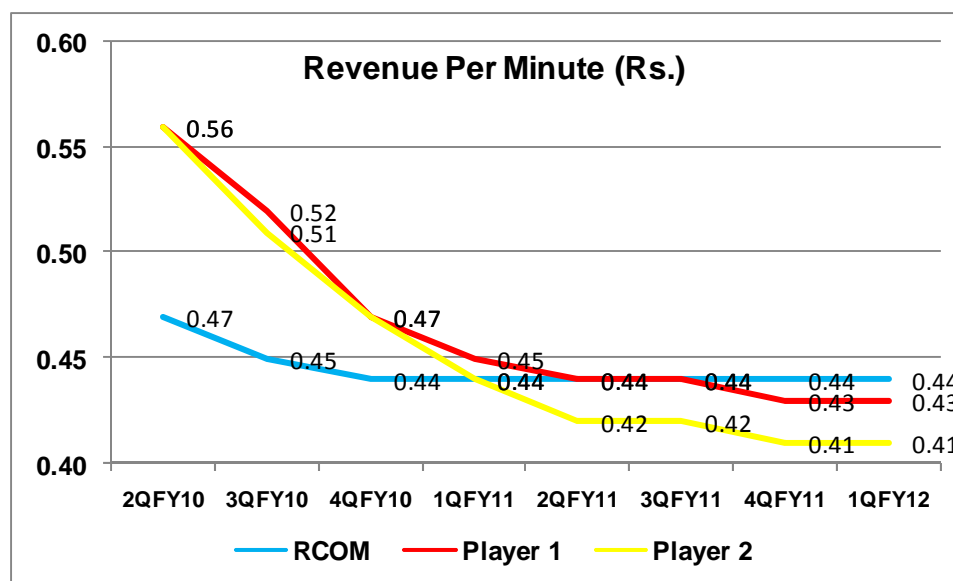
Financial Performance



Two consecutive quarters of consumption led revenue growth

Revenue Per Minute (RPM) trend

	2Q'10	3Q'10	4Q'10	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12	Change over last 8 Qtrs.
Player 1	0.56	0.52	0.47	0.45	0.44	0.44	0.43	0.43	-23.2%
Player 2	0.56	0.51	0.47	0.44	0.42	0.42	0.41	0.41	-26.8%
RCOM	0.47	0.45	0.44	0.44	0.44	0.44	0.44	0.44	-6.4%



RCOM, the only operator which has held on to the RPM over last 6 quarters

Contents

- ❑ Reliance Communications – an integrated telco
 - Wireless
 - Global Enterprise
 - Home
- ❑ Key takeaways

Overview



Scalable and proven infrastructure and capabilities are in place
Target is to scale up the business

Carrier business : Global connectivity & assets

- ❑ Own 277,000 RKms of optic fiber cable with landing points in 30 countries & world's largest private undersea cable system spanning 65,000 Kilometers
- ❑ Manage over 60,000 customer sites in 163 countries through 700 carrier partners
- ❑ This cable system is seamlessly integrated with 1,90,000 kilometer of fiber optic in India connecting 600,000 villages & 24,000 towns to key business markets in India, USA, Europe, Middle East, and APAC regions
- ❑ Over 1000 direct interconnects with 450+ top networks

Global Network



Long Distance Network in India



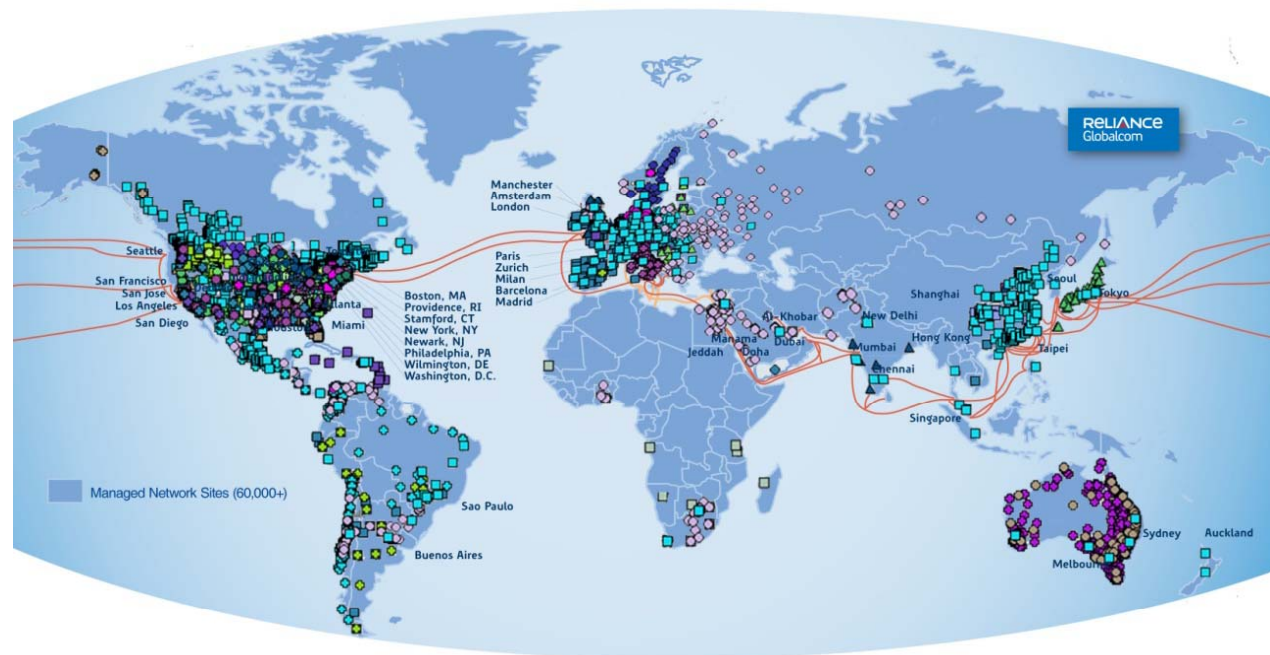
Network connecting over 85% of the world's population

Enterprise business : Enterprise Managed Network

Global Connectivity

- ❑ 60,000+ managed sites with reach in 160 countries and territories
- ❑ Metro Ethernet connectivity across 26 Metros outside India
- ❑ High Capacity Access Network customized to meet Customer Demand

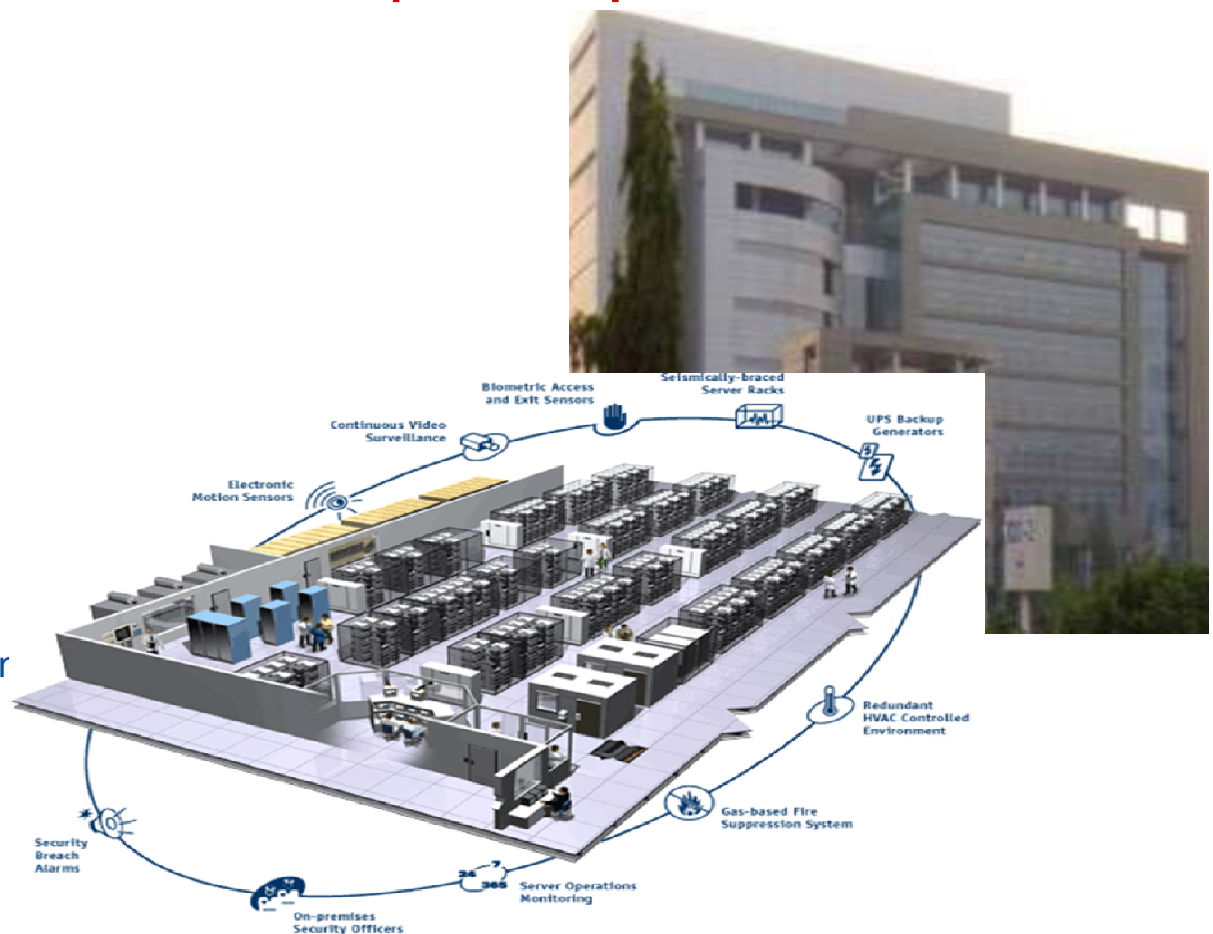
Global Network



Unparalleled global reach and depth of network

Enterprise business : Biggest Data center player in India with more than 450,000 sq ft of space

- ❑ 18 (9 India; 9 Outside India)
Data centers across the globe with more than 550,000 sq ft of facilities space
- ❑ Geographic redundancy
- ❑ Wide & complex application hosted
 - Core Banking, ATM/ Internet Banking
 - Complex ERP/ SAP Application
 - Complex Intranet/ Customized Apps.
 - Large Messaging Applications



Expanding capacity to cater to fast growing demand

Consumer business : Calling services to 160+ countries across the globe

Global Reach

- ❑ Retail services in 14 countries including U.S, Canada, U.K., Australia, New Zealand, Hong Kong, Singapore, France, Canada, Spain, Belgium, Netherlands, Austria and India

Leadership Position

- ❑ Over 2.5 million customers for Reliance Global Call service.
- ❑ Usage of Reliance Global Call accounts for 40% of total retail market calls from the United States to India.

Innovative Product Suite

The image displays two screenshots of Reliance's consumer services websites. The top screenshot is for 'RELIANCE iCall', featuring a login section with fields for 'USERNAME' and 'PASSWORD', and a 'Login' button. Below this, there's a 'Make calls from' section with options for 'PC to PC', 'PC to Phone', and 'Phone to PC'. A central banner advertises 'Call @ 1 cent/min' with a list of countries including India, USA, Canada, China, Singapore, Thailand, and others. The bottom screenshot is for 'RELIANCE Global Call', showing a 'Call over 200 countries' banner and a 'New Call Rates' section with rates for USA (2.49 Rs/min) and Australia (7.99 Rs/min). Both websites have navigation menus and footer information.

Global presence and strong customer base

- Over 2,100 enterprise and 2.5 million retail customer base outside India

Carrier

- Over 200 carrier customers based on strong long term relationships with over 70% repeat orders;
- Particularly strong in Asia, the Middle East and India



Enterprise

- Among Top 5 Managed Network Service providers with over 200 global corporate customers
- Among Top 6 Global Ethernet Service providers with over 1,200 customers in US alone;
- # 1 or # 2 service provider to world's top exchanges including CME, NYSE, NASDAQ.
- Serve 850 of top 1000 enterprises in India

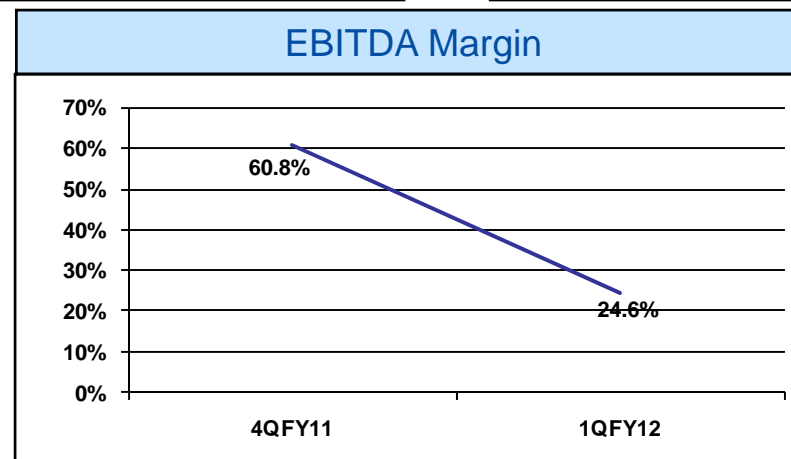
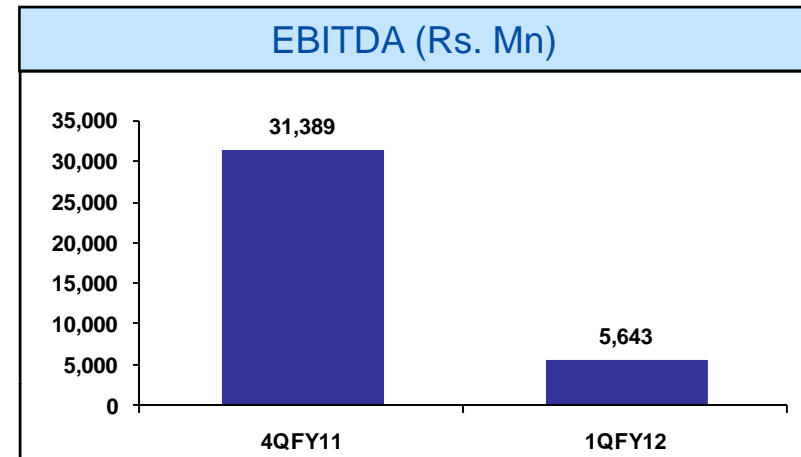
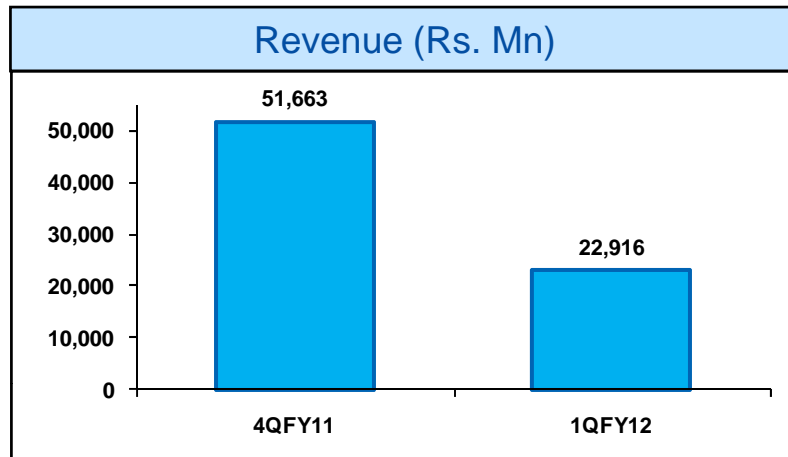


Consumer

- Over 2.5 million retail customers in 14 countries including U.S, Canada, U.K., Australia, New Zealand, Hong Kong, Singapore, France, Canada, Spain, Belgium, Netherlands, Austria and India
- 1.25 million broadband customers in India



Financial Performance



Note : 4Q FY'11 Revenue and EBITDA includes IRU license income of Rs 25.45 bn. and Rs. 25.3 bn. respectively.
From 1Q FY'12 onwards, RCOM is reporting combined Global and Enterprise business units as a single operating business unit.

Synergies to improve operational efficiencies

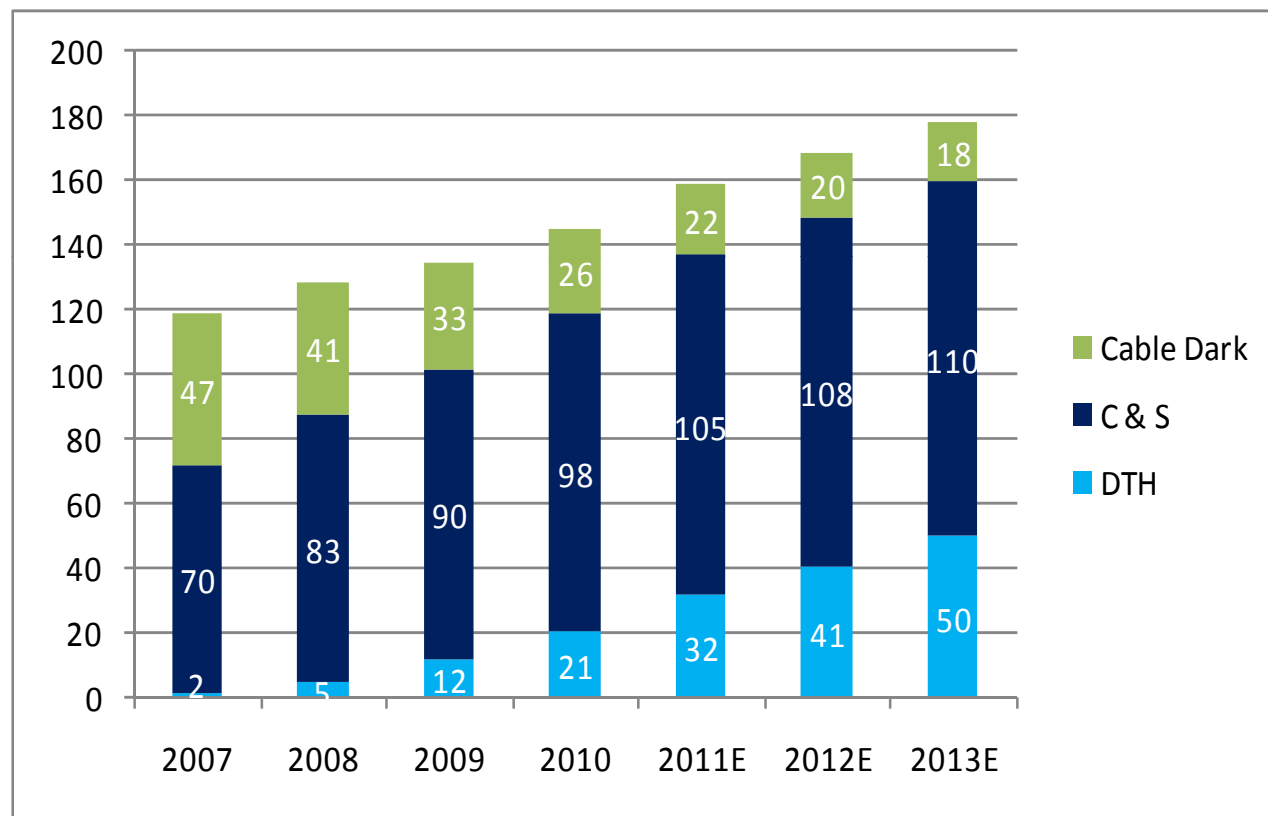
Contents

- ❑ Reliance Communications – an integrated telco
 - Wireless
 - Global Enterprise

Home

- ❑ Key takeaways

Indian Cable & Satellite Market



Source : Industry Estimates

RELIANCE
Digital TV

Don't just watch TV. Experience it.

Introducing Reliance Digital TV HD. Now make your TV truly high-definition.

Call 1860-200-6666 or 1800-200-9001 (toll-free) or visit www.reliancedigitaltv.com to buy online

DTH penetration at ~20%% of TV homes; gaining momentum

Reliance Digital TV (DTH)

- ❑ Industry's 1st offerings of its kind - All 250 channels in High Definition like quality
- ❑ Pioneering HD experience in India
- ❑ Pioneering DVR – “Watch when you want”
- ❑ Key service differentiators
 - More channel choice
 - Pure Digital viewing
 - 8 Cinema channels
 - Easy program guide
 - Quick channel select
 - Interactive applications (iNews, iGames, iCricket, iCooking, etc)
 - Superior MPEG 4 technology

RELIANCE
Digital TV

**If it's on TV,
it's HD.**

Now get all 250 channels in
high-definition like quality.

250 CHANNELS HD

www.reliancedigitaltv.com

₹2590

10x
UP TO 10 TIMES SHARPER
PICTURE QUALITY

16:9
WIDE ASPECT
RATIO

1080p
OVER
8 MILLION PIXELS

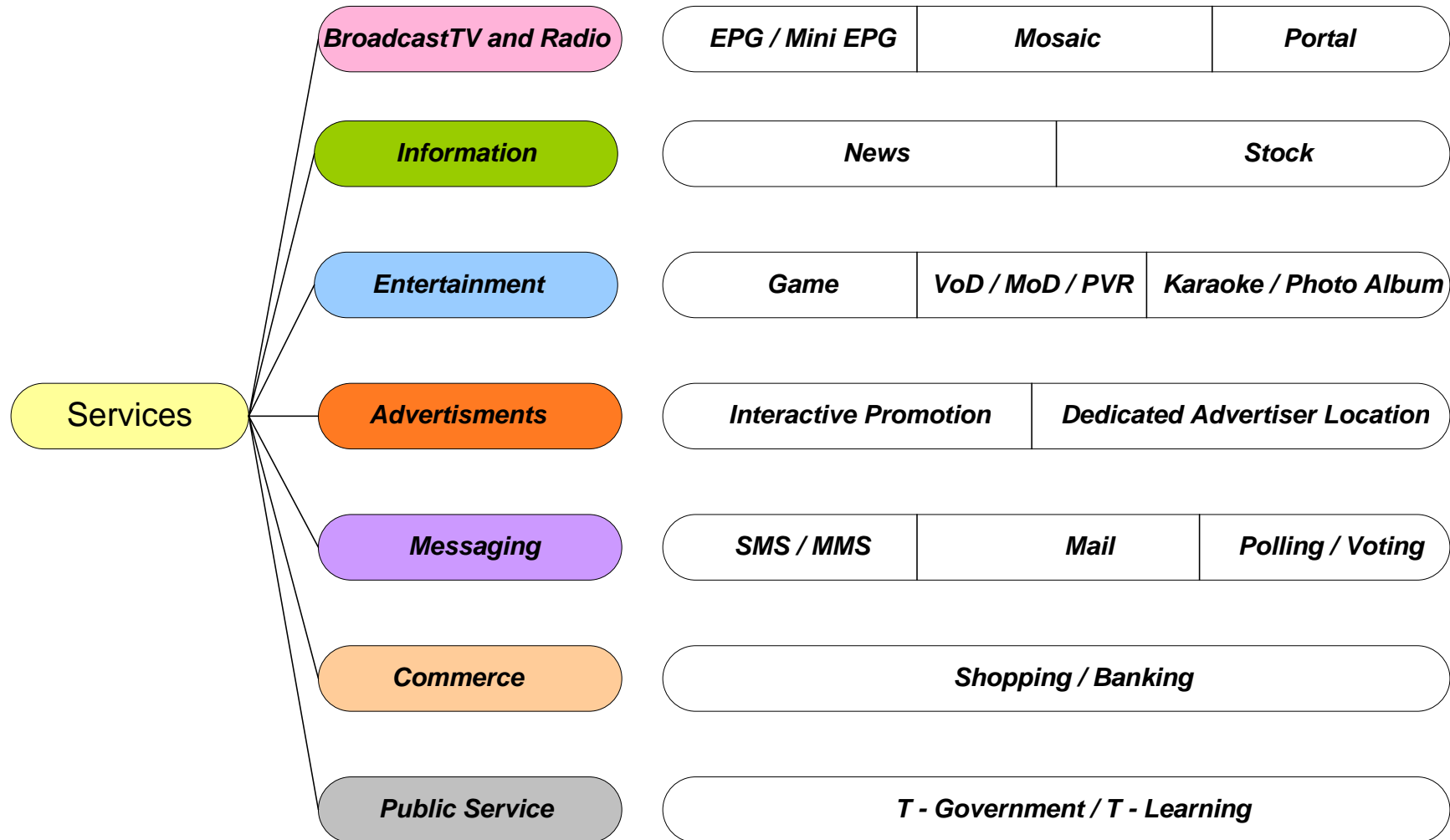
HDMI
HIGH DEFINITION
MULTIMEDIA INTERFACE

DIGITAL SOUND

Size: (W) 3' x (H) 6'

Digital viewing experience will create revolution in TV entertainment platforms

Digital TV Services: Complete suite of services



The 4 Pillars of Growth

Content

- ❑ 250+ channels
- ❑ 8 exclusive movie channels in English, Hindi and other regional languages
- ❑ Interactive features – Games, Shopping, Kids, Stocks, Astrology, Cooking
- ❑ High-definition channels

Technology

- ❑ MPEG 4
- ❑ Digital Picture
- ❑ Digital Sound



Reach and service

- ❑ 8,100 towns
- ❑ 2,000+ exclusive Reliance retail stores
- ❑ 24x7, 11 language customer service

Experience

- ❑ High-definition DVR box
- ❑ Next generation easy-to-use guide
- ❑ Most advanced mini guide

Contents

- ❑ Reliance Communications – an integrated telco
 - Wireless
 - Global Enterprise
 - Home

Key takeaways

Drivers for future growth and shareholder value

Drivers

- ❑ Reliance Infratel transaction: RCOM received formal indicative offers from several interested parties. Currently, the transaction is proceeding on track and is at advance stage
- ❑ Peak investment phase is over. RCOM continues to be free cash flow positive and this trend to continue in succeeding years
- ❑ Financials at inflection point as GSM and 3G momentum scales up
- ❑ RCOM not only reliant on wireless business for future growth but also on massive opportunity which exists in newer segments including DTH and expansion of Enterprise/IDC
- ❑ Potential for unlocking shareholder value at subsidiary level (Infratel, Global Enterprise, DTH)

Impact

Deleveraged Balance sheet

Increase revenue generating ability

Operational leverage improves margin & profitability

Potential of unlocking shareholders value

Deleveraged balance sheet coupled with significant free cash flow generation to place RCOM in a much stronger financial position

RELIANCE

Thank you

RELIANCE