

Reliance Communications

Investor Presentation

May 2010

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.

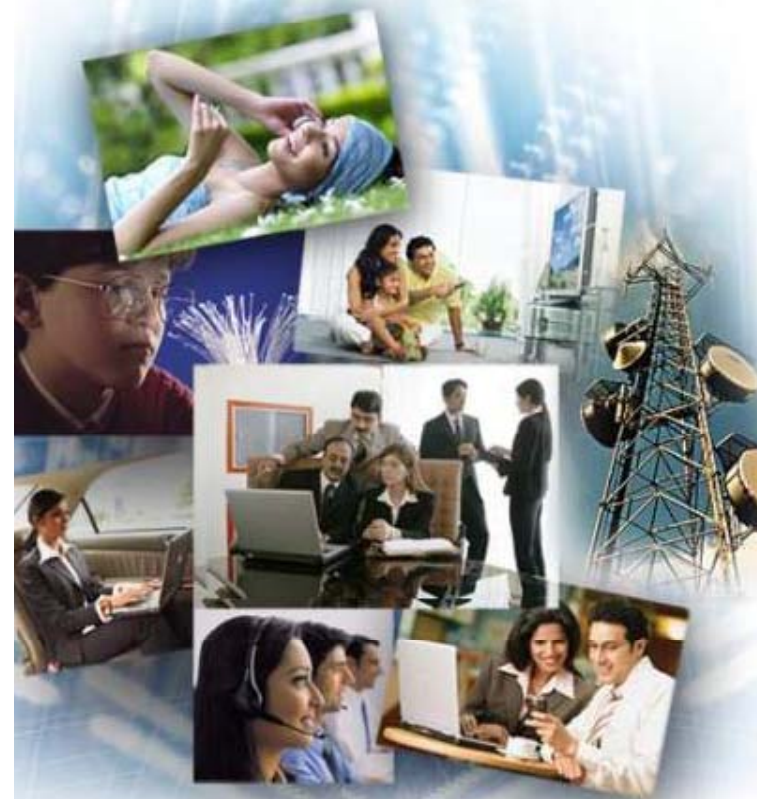
Contents

Reliance Communications – an integrated telco

- Wireless
- Infratel
- Globalcom
- Enterprise
- Home
- Key takeaways

Current position of our businesses

Wireless	■ #2 in India, #4 globally (single country), dual technology
Globalcom	■ Largest global private submarine cable network, blue-chip global clients
Enterprise	■ 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 high speed data cards
- Increased revenue from new service streams (share of VAS & In-roaming revenue)

Infratel



- Maximize tenancy – Sign strategic relationship with multiple existing & new operators

Globalcom



- Sign long term contracts with existing and new operators to provide pan-India infrastructure and bandwidth
- Ramp up Managed Services business; Complete NGN Mediterranean and continue to maintain leadership in the Carriers Carrier market

Enterprise



- 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

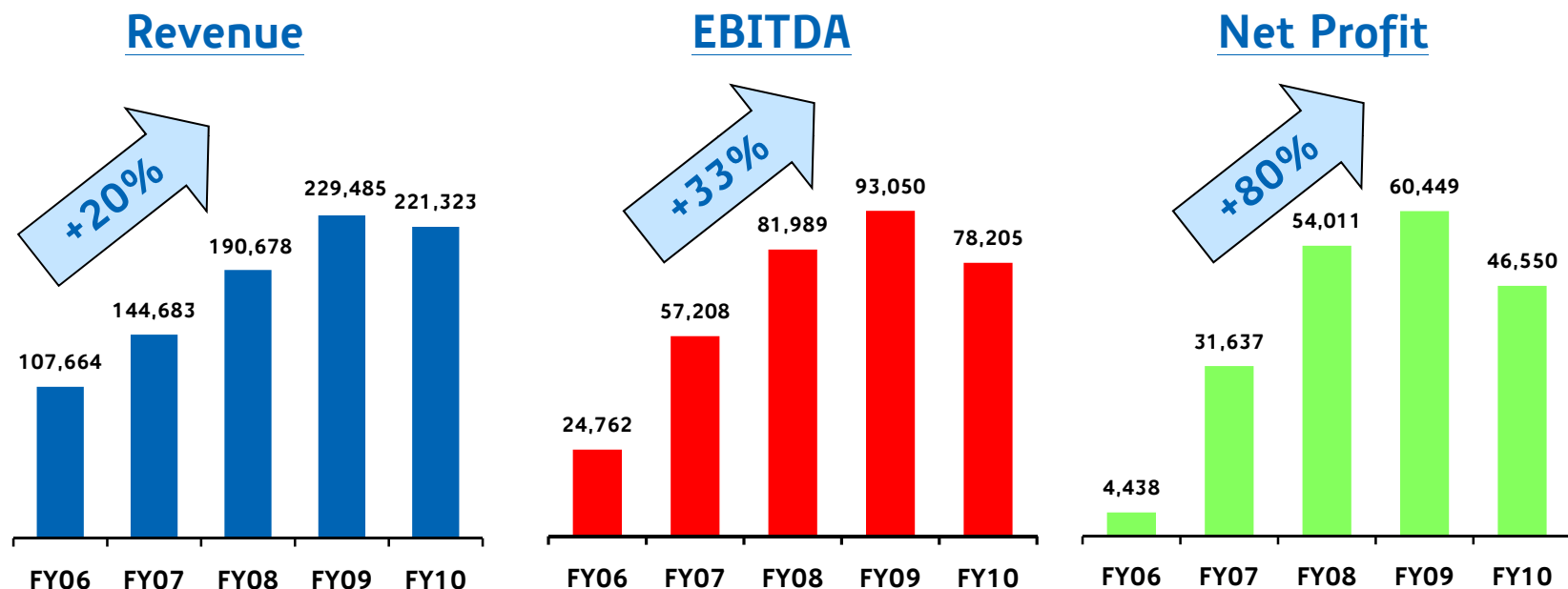
Home



- 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

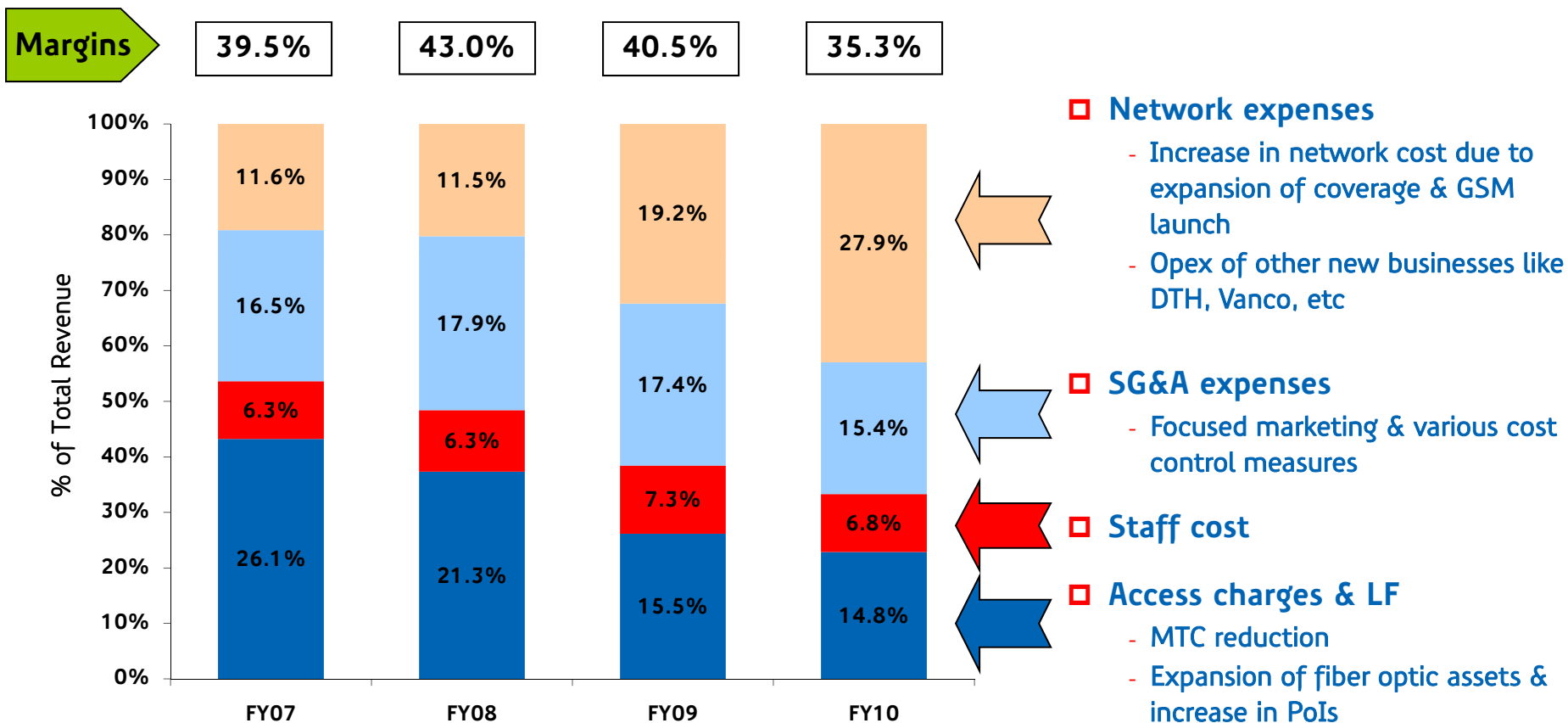
Financial Highlights

Key Financial Parameters (Rs. Mn)



Consistent & substantial increase in profitability

Cost management (% of revenue)...



...inspite of launch of multiple new businesses

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☐ Reliance Communications – an integrated telco

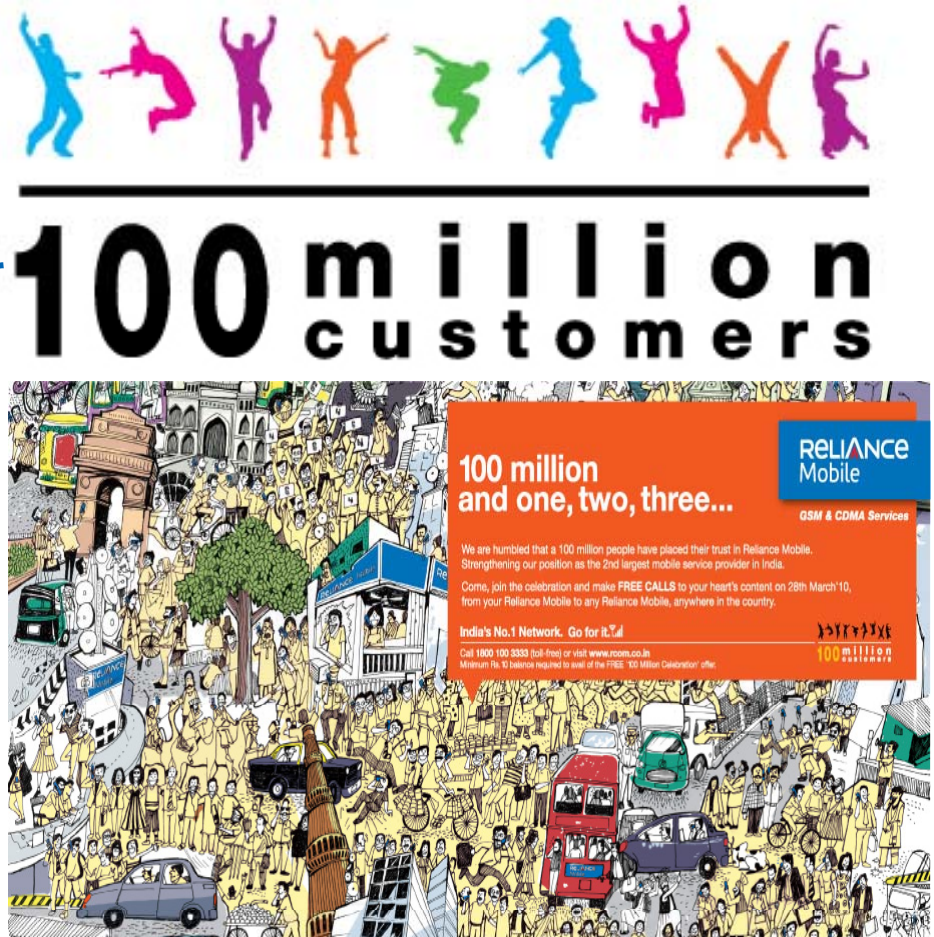
Wireless

- Infratel
- Enterprise
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- Home

☐ Key takeaways

Key highlights – 4QFY10

- ❑ Acquired 100 million wireless customers in just 7 years of going pan-India
- ❑ World's youngest and fastest achiever of this momentous landmark
- ❑ World's 4th operator with 100 million customers in a single country
- ❑ Expanded customer base from 10 million to 100 million in less than 5 years
- ❑ India's market leader in the Wireless Internet space

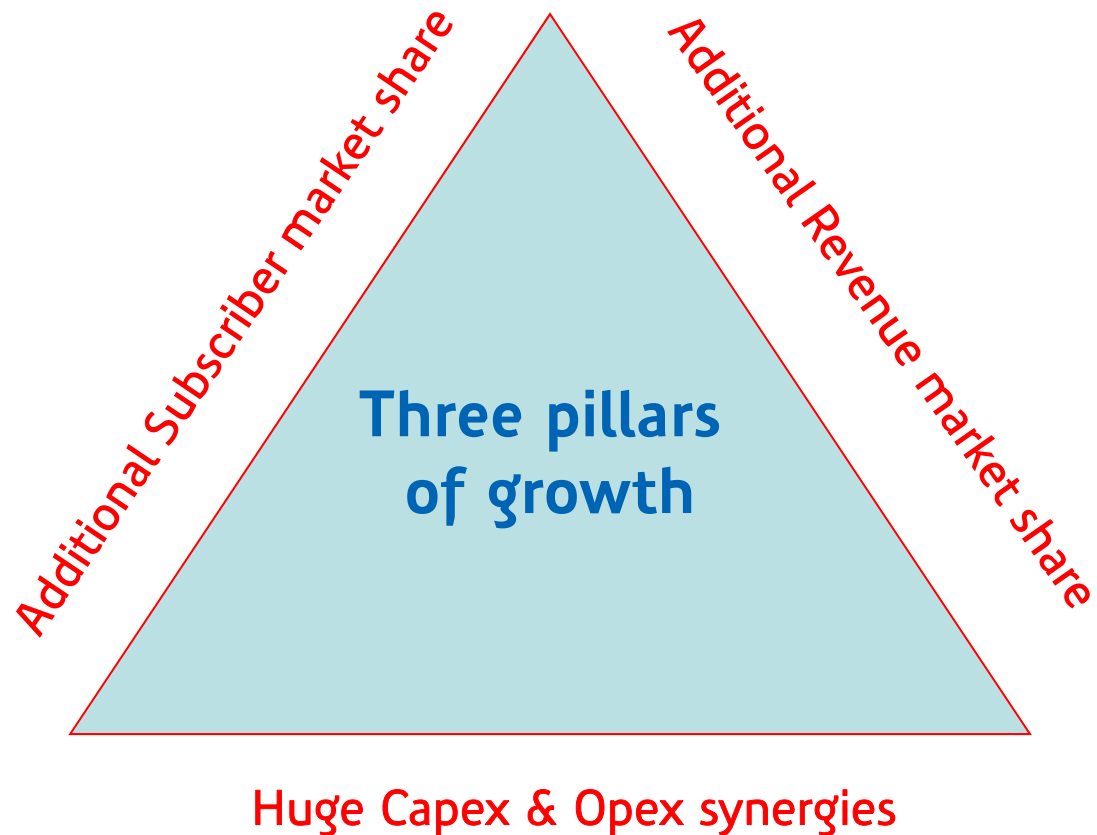


RCOM: Bigger scale will bring more cost competitiveness

- ❑ **Among India's top 2 operators with 102 mn wireless subscribers**
 - Prepaid subscriber additions drive growth – 96% of total subscribers
- ❑ **Key Performance Indicators**
 - Lowest tariffs in the world...
 - ... backed by the high Minutes Of Usage – over 1 billion minutes per day



Dual network offers significant upsides



Only company to offer nationwide GSM & CDMA services

Dual network offers additional market share levers

Existing growth momentum

- Industry monthly net adds of ~15 mn GSM subscribers
- Impetus from network expansion in semi-urban/ rural areas



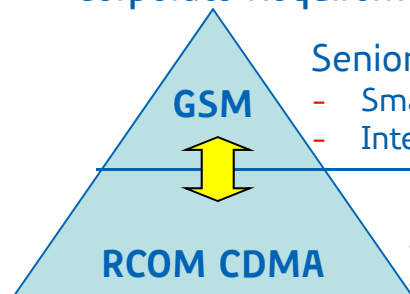
Cross technology
On-net plans: Unique
Service offering



Mobile Number
Portability (MNP)

Broad Market Segmentation

Corporate Requirement



Senior executives
- Smart phones
- International travel

Field force
- Large on-net talktime
- Remote email access

Retail/Family
Similar CUG family plans

RCOM will bring both segments on-net, driving customer value & stickiness

Customer churn

CDMA ↔ GSM

Incumbent GSM → RCOM GSM

Probability

Low

Customer has invested in Handset

High

Customer neither loses number
nor investment in Handset

Unique advantage: Competition can't replicate

Strategy for increasing revenue market share

International in-roaming

+

Traditional VAS

+

Data Only

+

Number Portability

- Gain share of ~ US\$ 1 bn international in-roaming market with very high EBITDA margins
- Currently enjoyed by few GSM incumbents

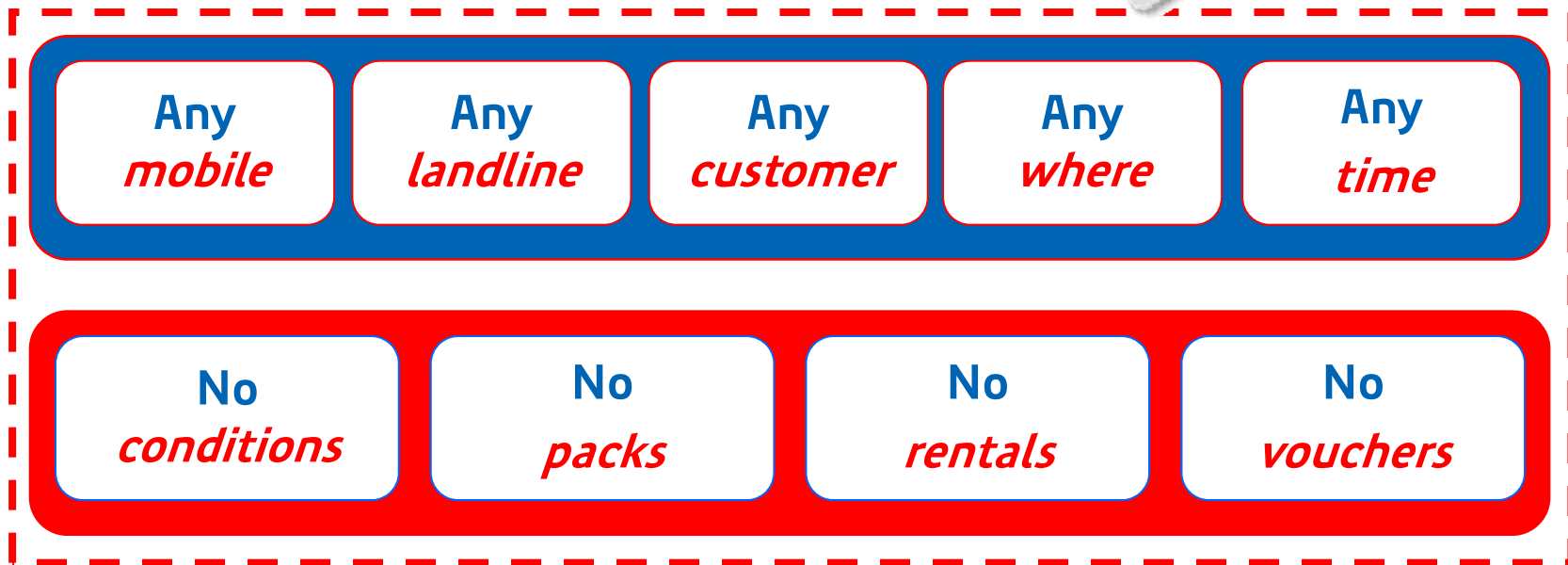
- GSM VAS revenue contribution over 10% with SMS contributing ~5% vs very low 1.2% in CDMA
- Attract high SMS/VAS usage groups who also look for trendy & sleek multimedia handsets

- Freed up CDMA capacity, allowing aggressive expansion of data cards and higher access speeds
- Provides fastest internet broadband service of up to 3.1 Mbps
- Netconnect broadband plus has wide reach compared to wireline networks

- Facilitate incumbent GSM users switch to RCOM for better services without losing numbers or changing handsets with implementation of MNP

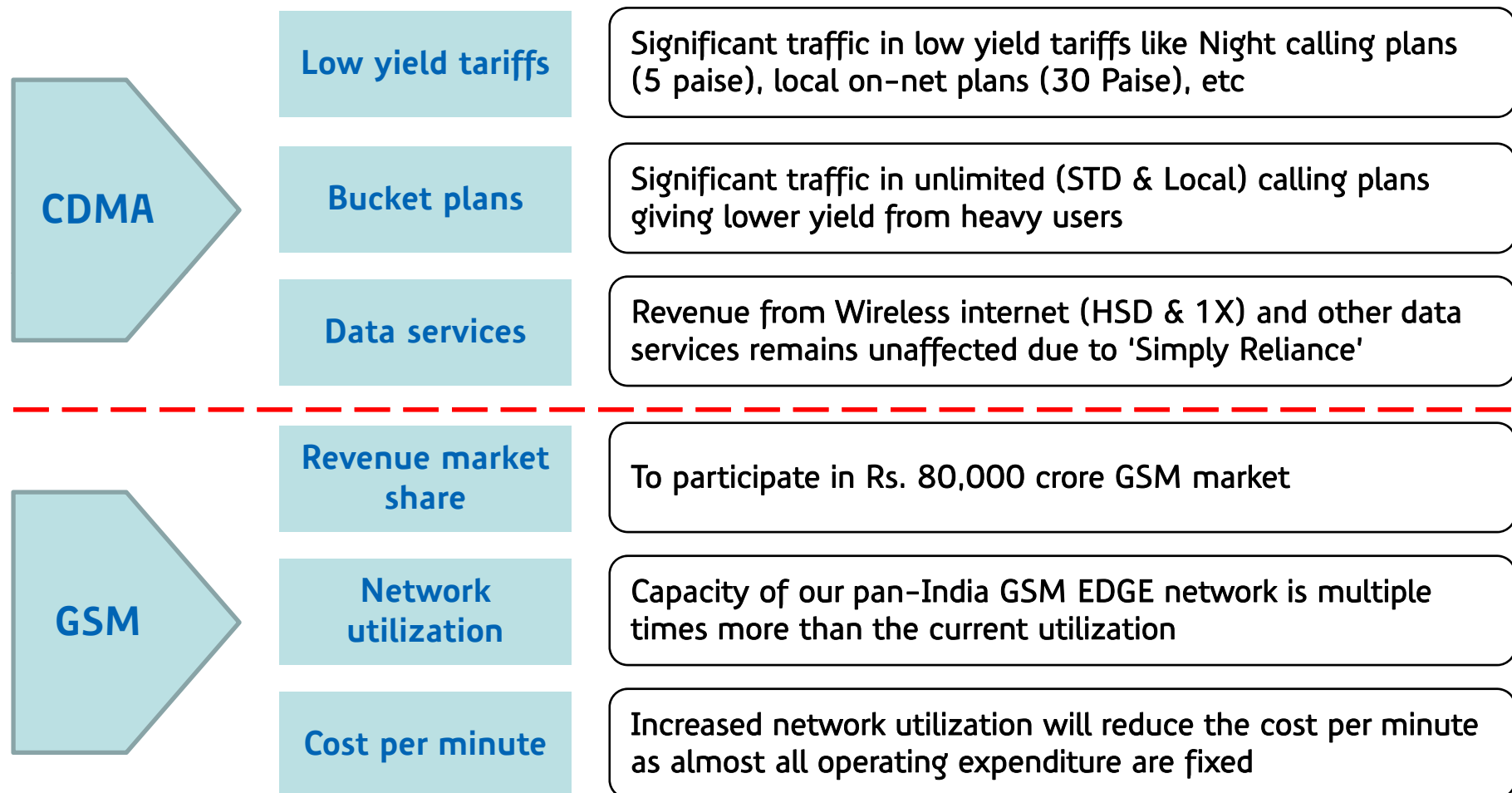
Revenue growth catalysts

SIMPLY Reliance! Plan – One India plan



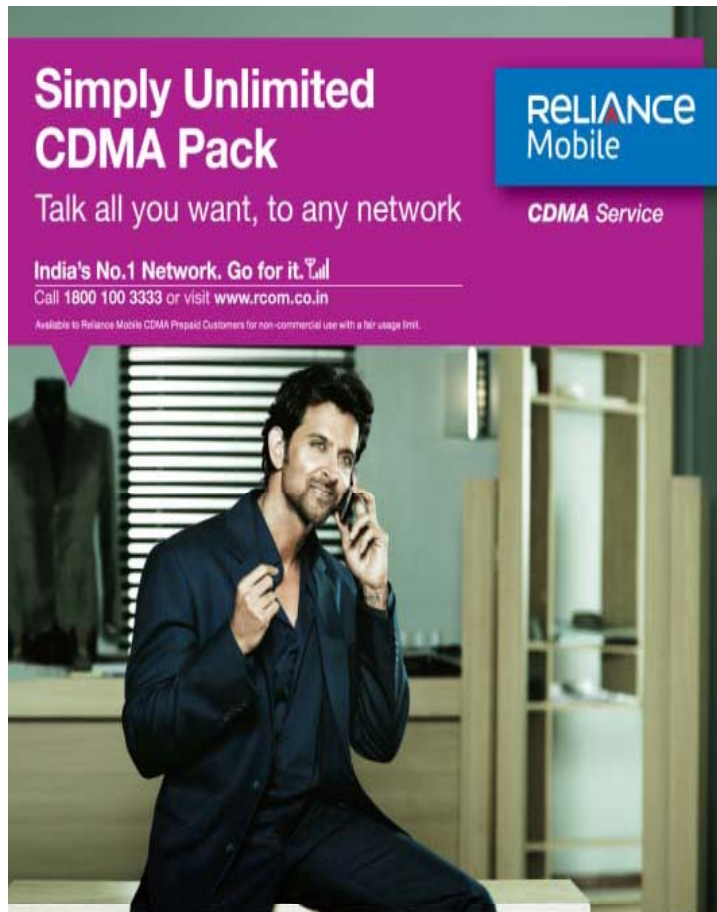
Call anyone @ 50p/min; 1p/sec; Re.1/3 mins

Rationale in 'Simply Reliance' tariff plan launch



... to optimise the yield.

Launch of "Simply Unlimited CDMA Offer"



- ❑ Takes Simply Reliance initiative to the next level
- ❑ Offers ground-breaking Prepaid CDMA Unlimited Pack that allows unlimited, unconditional talk-time for a one-time monthly charge
- ❑ Maintains the flexibility for all calls to Any Network, Anywhere, Anytime in India
- ❑ Applicable to calls made to Mobile, Landline and FWP

Breaks away from tariff metering tradition of Indian telecom industry

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

1.

Coverage

2.

Customer Choice

3.

HSD/Internet on the Move

4.

Service Innovations

5.

Distribution & Reach

6.

Customer Trust

Set to redefine mobility landscape in India

Coverage



24,000
Towns

600,000 Villages

1 Billion Indians



CDMA



GSM

Seamless coverage wherever you go

Customer Choice

1

*

*CDMA

Mobility



Wireless Data



Fixed Wireless



PCO



**102 million
Happy customers**

**Market leadership
in all segments**

... shall replicate success with nationwide GSM service

HSD/Internet on the Move

RELIANCE
Netconnect

Broadband+

India's fastest wireless Internet. Now, at Rs. 2299

India's No.1 Network 
SMS NC to 55454 or visit www.rcnm.co.in

 USB Modem

Speed based on 3G network. Maximum speed of up to 3.1 Mbps and a minimum speed of 128 Kbps. Subject to network availability.

Competitive differentiation

- ❑ Fastest internet broadband service of up to 3.1 Mbps in India's top 62 cities
- ❑ Seamless handover & connectivity through CDMA 1X in over 24K towns and 6 lakh villages covering 90% of the Indian population
- ❑ 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

Service Innovations

Unlimited local & STD calls



Mobile TV



Yahoo on Reliance



Micro-billing



Internet on the move



MBlog



MBanking



MPay



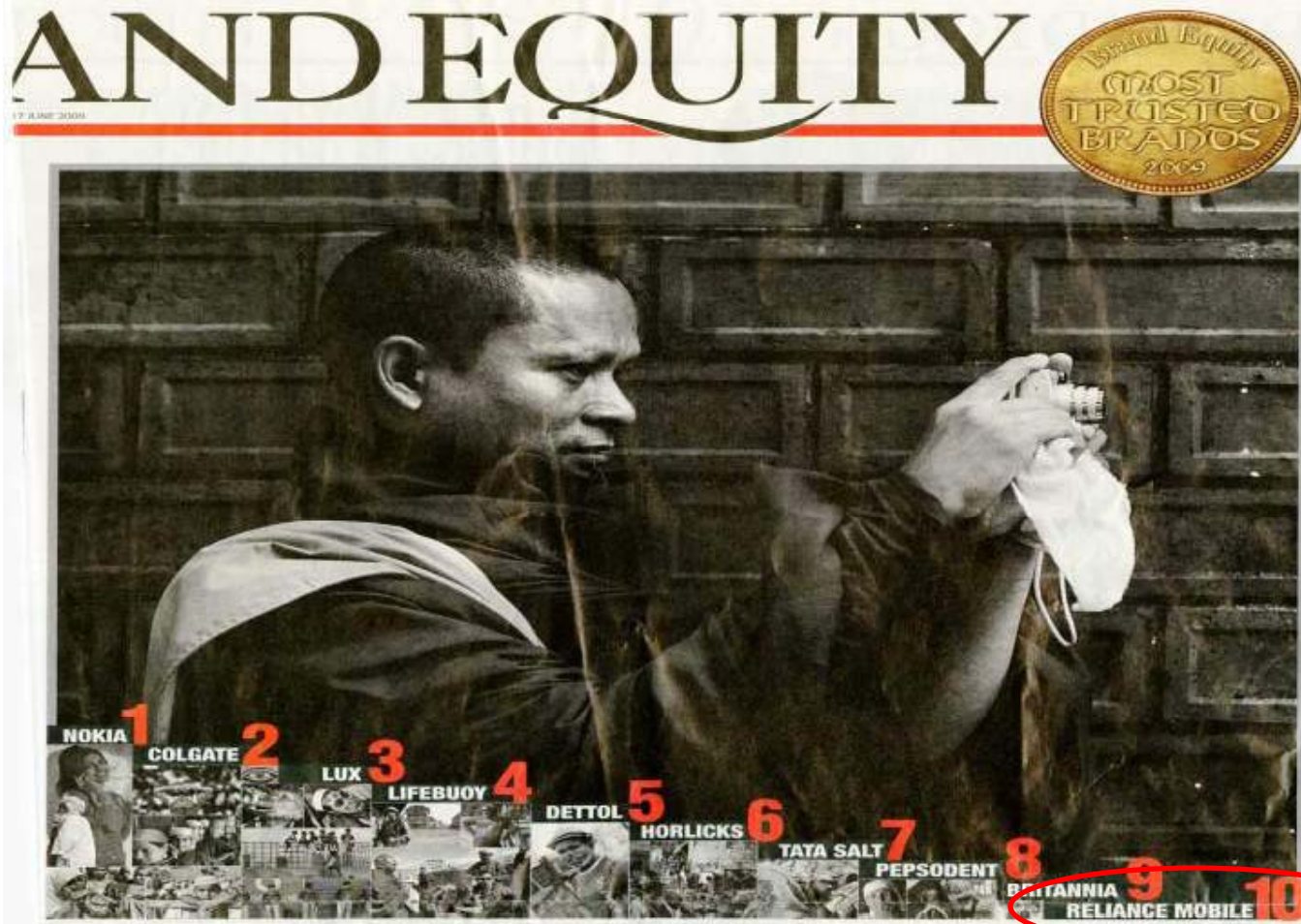
Distribution & Reach

- ❑ 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 & 1.2 million retailers
- ❑ 5,000+ Direct & indirect outbound sales force to cater to customers at their premises
- ❑ Dimensioned to handle over 35 mn sales transactions annually



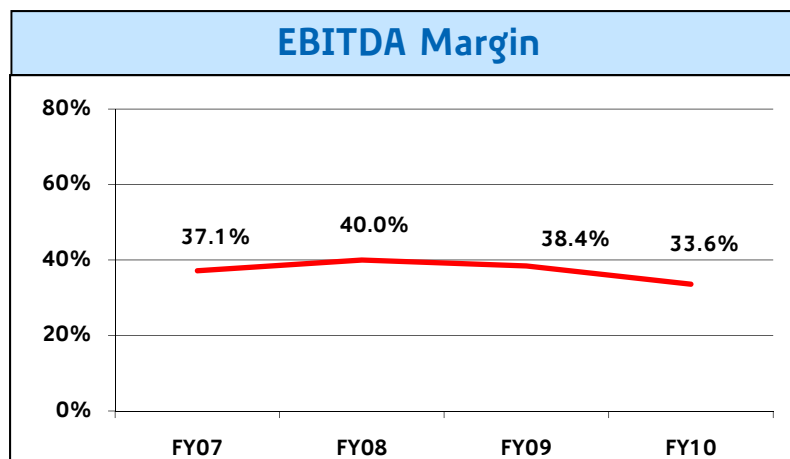
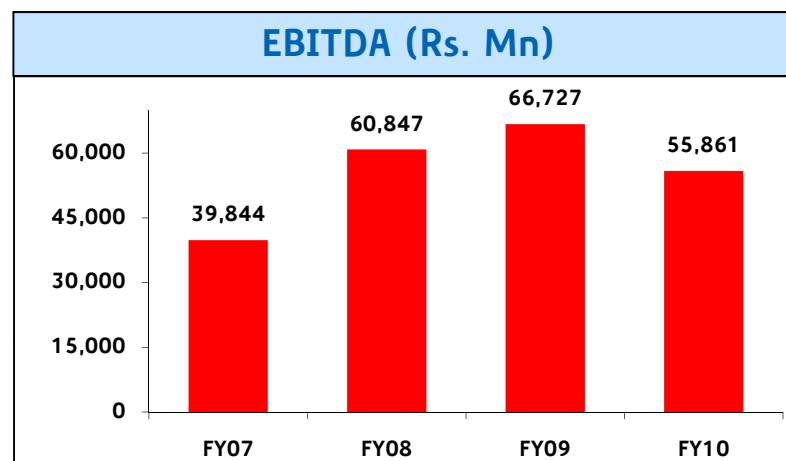
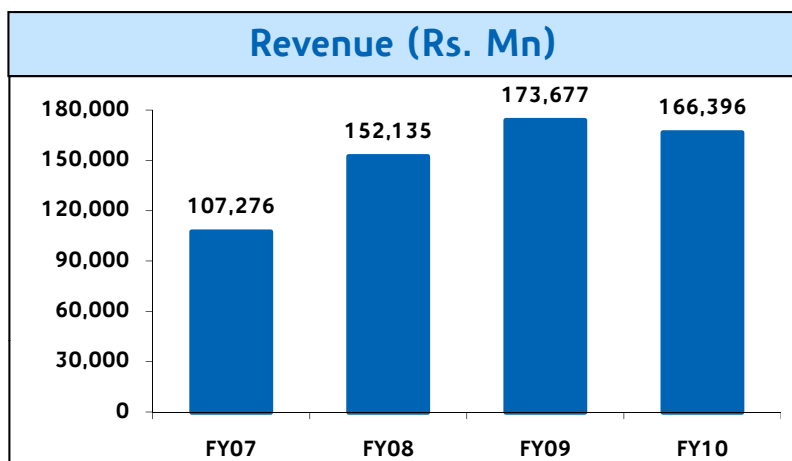
By far the largest retail distribution network in the industry

Customer Trust



... "India's most trusted service brand" – Economic Times

Financial Performance



Short term impact due to competitive intensity and tariff rebalancing

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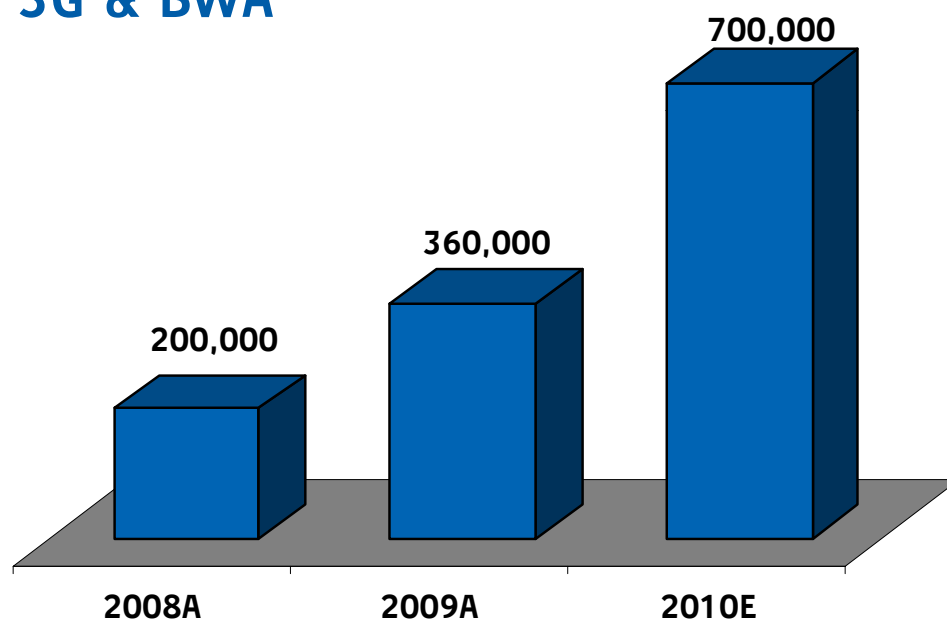
□ Reliance Communications – an integrated telco

- Wireless
- Enterprise
- Infratel
- Home
- Globalcom

□ Key takeaways

Infrastructure Tenancy Slots – Market

2G, 3G & BWA



Source: Industry Estimates

RITL Ground based tower



RITL Roof top tower



Infrastructure overview

- ❑ Operational in all 22 circles
- ❑ ~50,000 multi-tenancy towers as on March 31, 2010.
- ❑ Anchor customer (Reliance Communications) driven strategy
- ❑ Current tenancy of 1.75x, post our GSM launch

Aim to be a preferred infrastructure provider for new operators

Telecom infrastructure sharing deals signed



- Etisalat DB have spectrum to operate in 14 circles covering 85% of the Indian population
- Agreement signed for 30,000 tower sites and transmission connectivity to those sites, valuing the 10 year period at Rs. 10,000 crores



- S Tel plans to launch its mobile telephony services in six circles
- Agreement signed with Reliance Infratel will give S Tel access to Reliance Infratel's wide network coverage of over 10,000 sites



- Telecom infrastructure sharing agreement covering all the 22 circles in India
- End-to-End telecom infrastructure agreement with Aircel for towers, voice carriage and bulk bandwidth



- SSTL has license and spectrum to provide mobile telephony in all the 22 circles.
- End-to-End telecom infrastructure agreement with SSTL for towers, voice carriage and bulk bandwidth



- Tata Teleservices now offers nationwide GSM products and services
- Agreement signed with Reliance Infratel will give TATA access to our wide network coverage of over 50,000 towers

Best positioned for more infrastructure sharing deals

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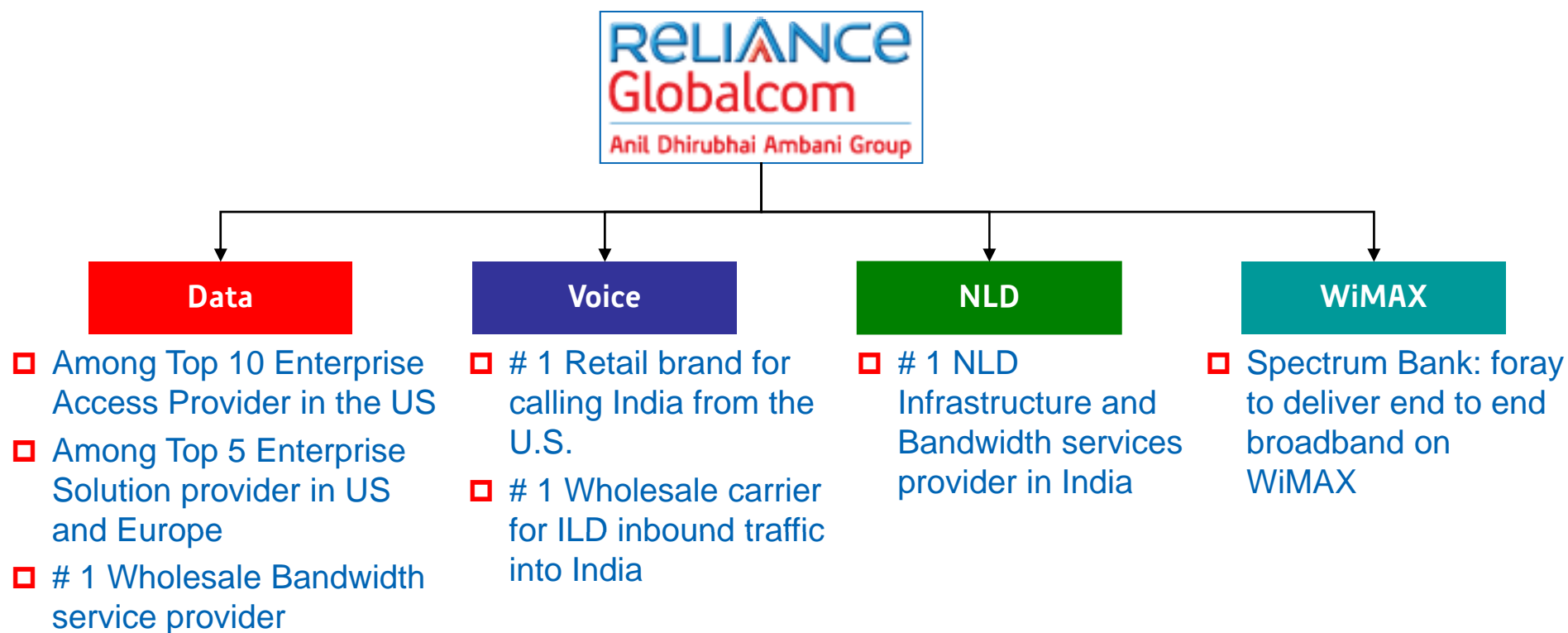
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Globalcom

☐ Key takeaways

Business Overview



Unique play on the exponential growth of digital application and content distribution spanning developed and emerging markets

Customers

- Reliance Globalcom serves over 200 carriers, 1,500 enterprises and 2.5 million retail customers in 163 countries across 5 continents



Valuable customer base for application and content distribution

Data Business

Unmatched Capabilities

- ❑ Global presence in over 60 countries. World's largest IP optical network
- ❑ Leadership in Global Ethernet (Yipes) and MPLS VPN (Vanco).
- ❑ Among top 3 IDC suppliers



Blue Chip Customers

- ❑ Diverse base of over 200 carriers, ISPs and content providers.
- ❑ Over 1,200 Blue Chip enterprise customers.

Leadership Position

- ❑ Ranked amongst top 5 in Global Network Service Providers by Gartner.



Among Top 5 Managed Network Services providers

Voice Business

Global Reach

- ❑ Retail services in U.S., Canada, U.K., Australia, New Zealand, Hong Kong and Malaysia.
- ❑ Reliance Global Call offers Calling services for 200 countries across the globe.



Innovative Product Suite

- ❑ Reliance Global Call
 - International Calling Service
 - Web based service delivery, fulfillment
- ❑ Reliance Passport
 - Single SIM for 110 countries with free incoming calls in 57 countries



RELIANCE
Global Call

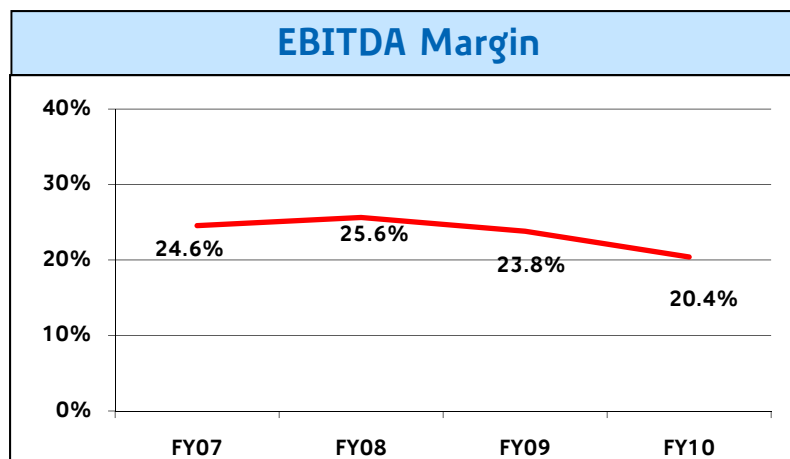
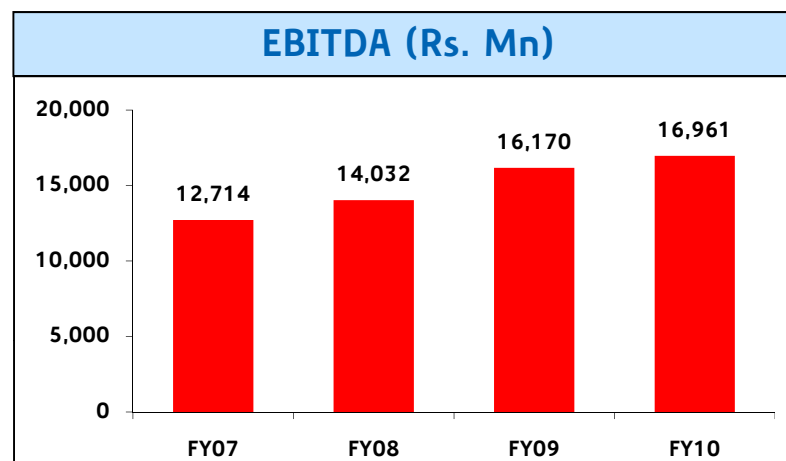
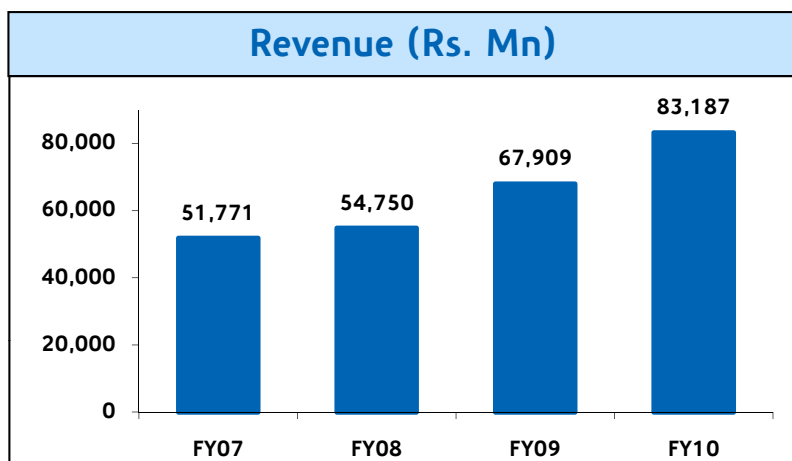
Leadership Position

- ❑ Market share of 30% for ILD wholesale inbound traffic
- ❑ 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.



Market leader in International Long Distance

Financial Performance



Short term margin pressure; due to macro global environment

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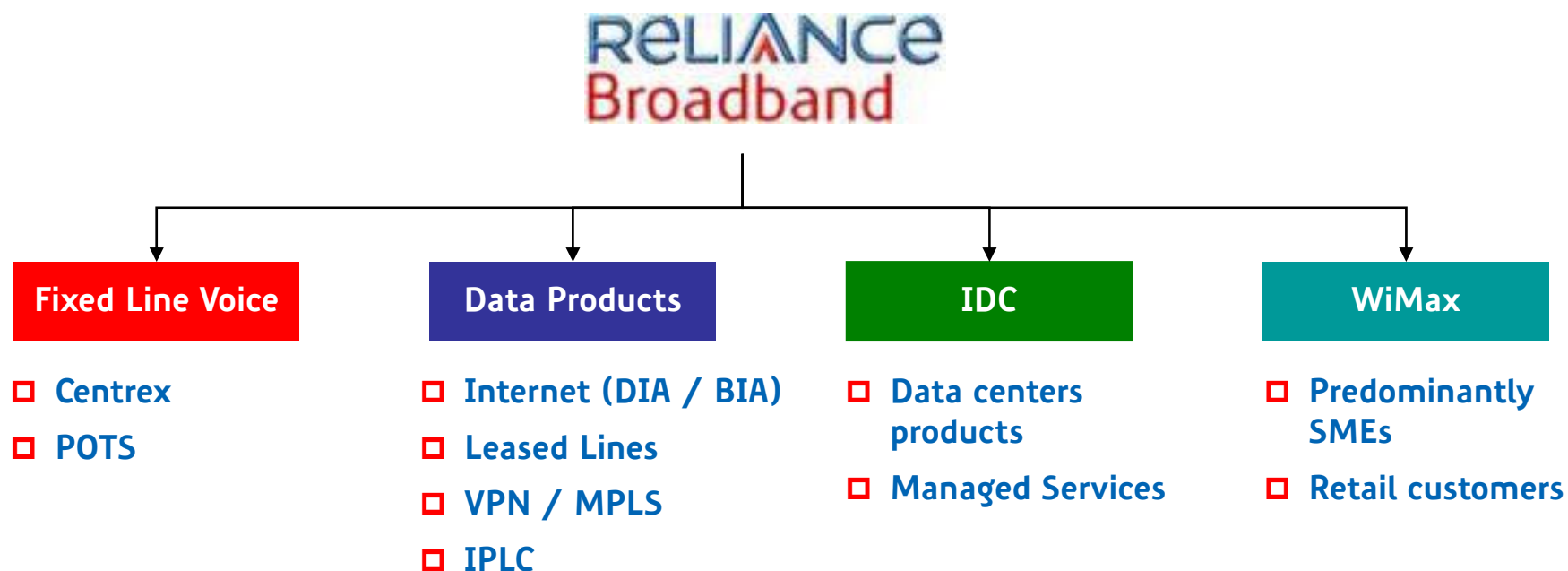
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Enterprise

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❑ Key takeaways

Business overview



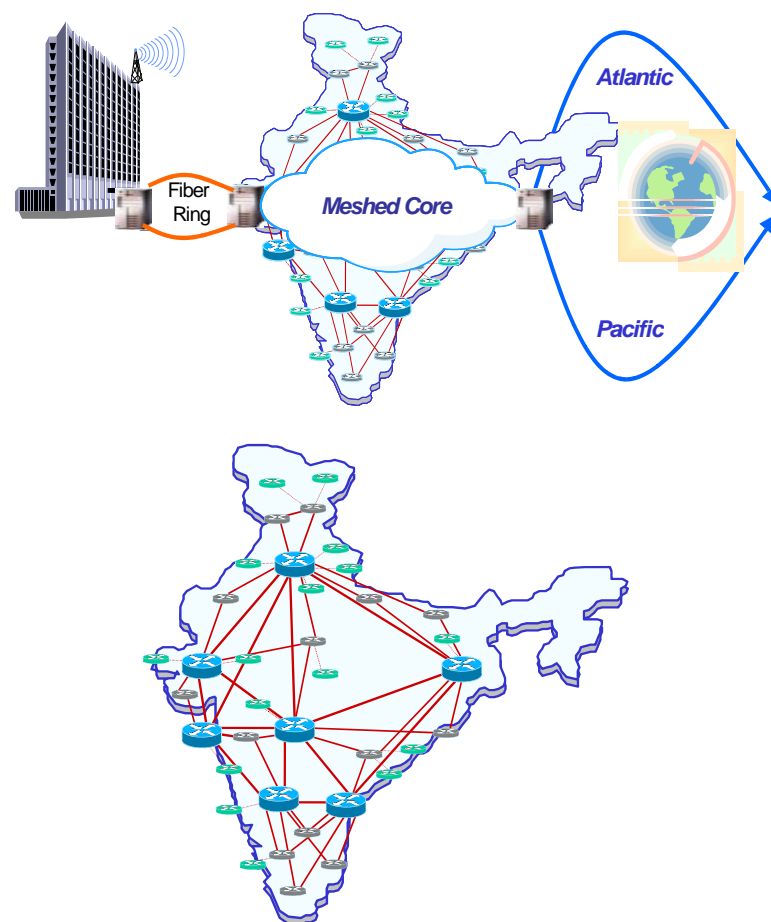
Serves Enterprise, SME and Retail customers for their connectivity needs

RCOM: Best positioned to drive growth

- ❑ >50% market share in highest growth data products like IDC, Centrex solutions, VPN, etc
- ❑ 1 Million buildings connected across top 44 cities to our fiber network, to cross 1.5 mn by next year end
- ❑ Have built the largest capability in India to serve >7.5 mn Voice & Data customers

Who do we Serve

- ❑ Servicing over 850 of top 1000 Enterprises
- ❑ 250 MNCs and 50,000 SMB businesses
- ❑ Over 1.45 mn access subscribers



India's leading provider of enterprise services

850 of Top 1,000 Indian enterprises are our customers

FMCG Segment



Services Segment



Telecom Operators



IT/ ITES Segment



BFSI Segment



Media Segment



Winning >50% of new business generated in the segment

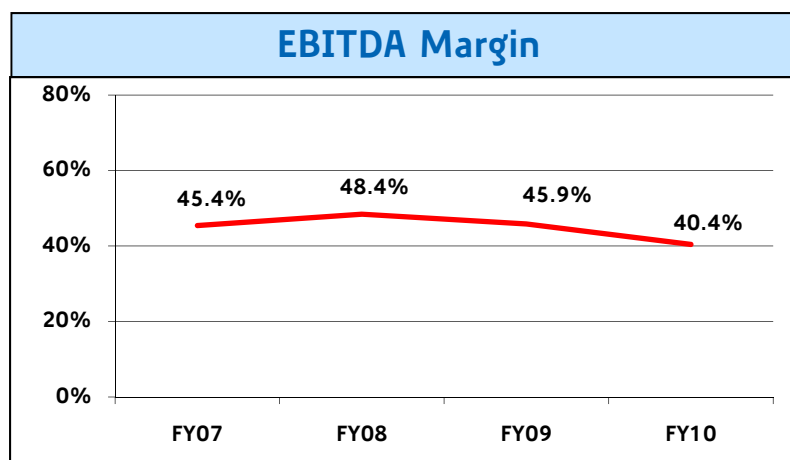
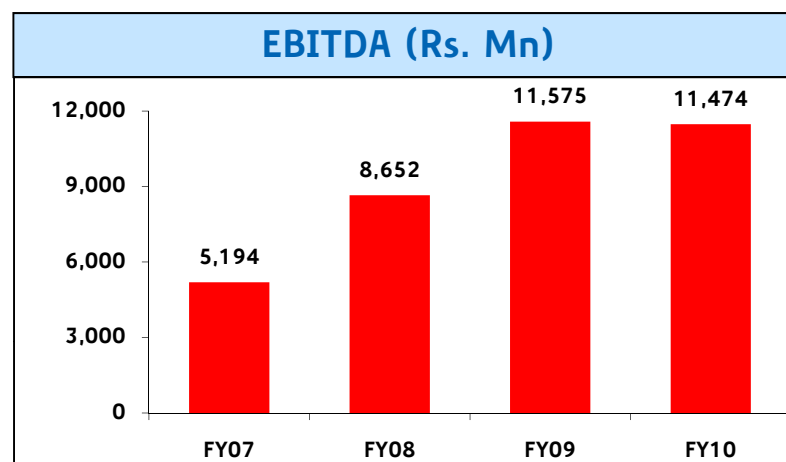
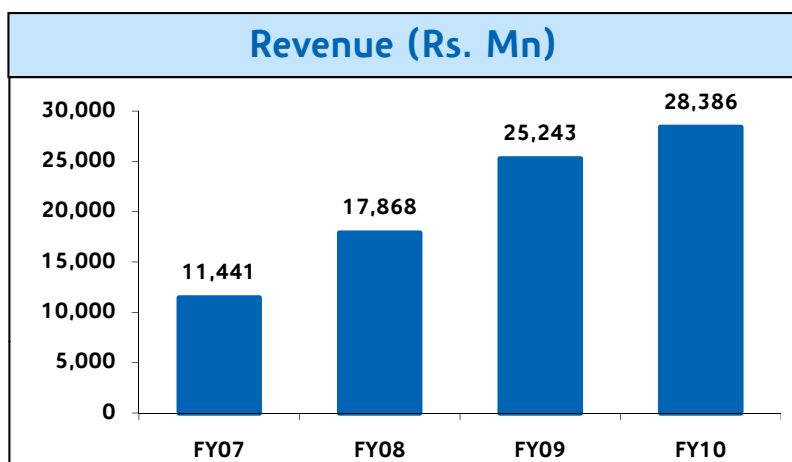
IDC: Largest in India with >60% market share

- ❑ Nine data centres with level 3+ accreditation – more than 400,000 sq ft of facilities space
- ❑ Hosting >20,000 systems and >1400 terabyte of information
- ❑ Geographic redundancy
- ❑ Wide & complex application hosted
 - Core Banking, ATM/ Internet Banking
 - Complex ERP/ SAP Applications
 - Complex Intranet/ Customized Apps.
 - Large Messaging Applications



Expanding capacity 4 times to cater to fast growing demand

Financial Performance



Steady business with strong margins

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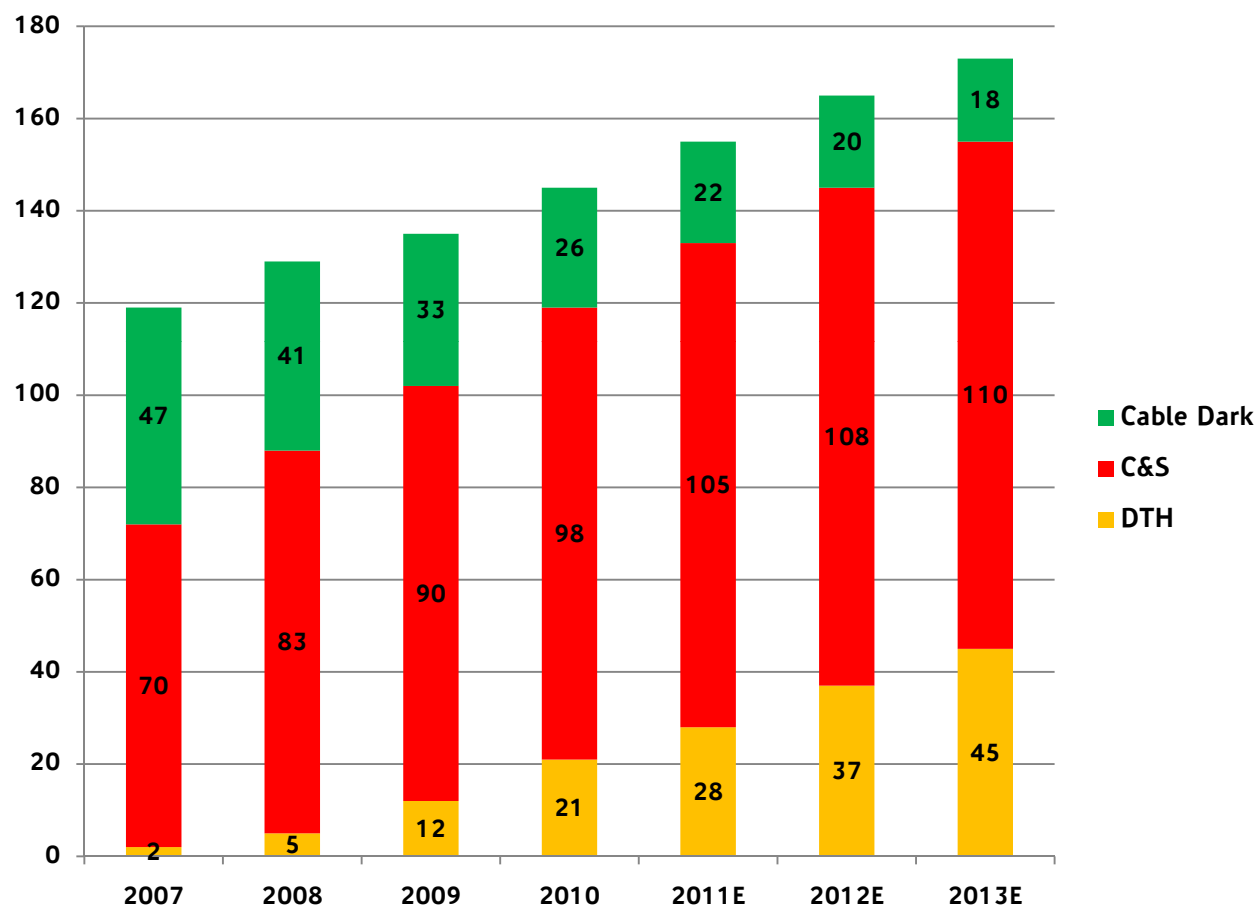
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Home

☐ Key takeaways

Indian Cable & Satellite Market



Source : Industry Estimates



DTH penetration at 14%; gaining momentum

Reliance Big TV (DTH)

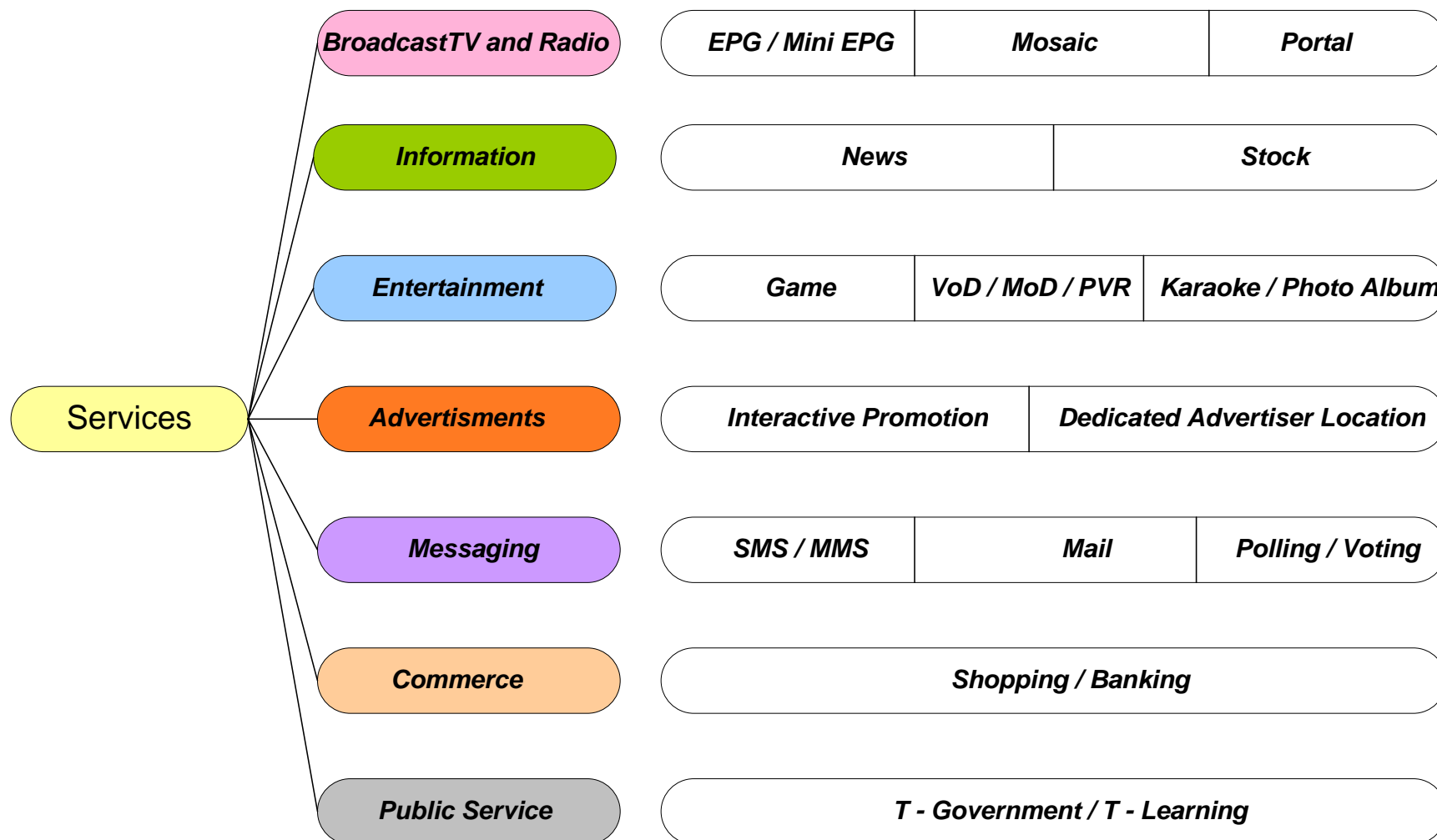
- ❑ Pioneering HD experience in India
- ❑ Pioneering DVR – “Watch when you want”
- ❑ Key service differentiators
 - More channel choice
 - Pure Digital viewing
 - 32 Cinema channels
 - Easy program guide
 - Quick channel select
 - Interactive applications (iNews, iGames, iCricket, iCooking, etc)
 - Superior MPEG 4 technology

The advertisement for Reliance Big TV DTH Service features a black HD DVR unit with a remote control resting on it. Above the unit, the text reads "Introducing India's first Hi-definition Advanced Digital Video Recorder." Below the unit, a row of icons highlights features: HD (Hi-Definition Channels), Record Up to 90 Days, Pause Live TV, Rewind Live TV, 5x (5 Times Sharper Picture Quality), 16:9 (Wide Aspect Ratio), 1080i (2 Million Pixels), and Digital Sound. At the bottom of the ad, actor Hrithik Roshan is shown sitting on a white sofa, holding a remote. The Reliance Big TV DTH Service logo is in the top left corner.

Call 1860-200-6666 / 1800-200-9001 (toll-free)

Digital viewing experience will create revolution in TV entertainment platforms

BIG TV Services: Complete suite of services



The 4 Pillars of Growth

Content

- ❑ 200+ channels
- ❑ 32 exclusive movie channels in English, Hindi and other regional languages
- ❑ Interactive features – Games, News, Cricket, Stocks, Astrology, Cooking
- ❑ High-definition channels



Reach and service

- ❑ 6,500 towns
- ❑ 2,000+ exclusive Reliance retail stores
- ❑ 24x7, 11 language customer service

Technology

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

Experience

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

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Key takeaways

Drivers for future growth and shareholder value

Drivers

- ❑ Peak investment phase is over
- ❑ Financials at inflection point as GSM and Infratel momentum scales up
- ❑ RCOM not only reliant on wireless business for future growth; massive opportunity in newer segments including Infratel, DTH and expansion of Enterprise/IDC
- ❑ Potential for unlocking shareholder value at subsidiary level (Infratel, Globalcom, DTH)

Impact

Increase revenue generating ability

Large pipeline of untapped business to support growth

Operational leverage improves margin & profitability

Highlight embedded value of RCOM assets

Further integration of Telecom, Media and IT will be levers of future growth

Thank you