



# Reliance Communications

## Investor Presentation

*February, 2012*

RELIANCE

## Forward looking statements – Important Note

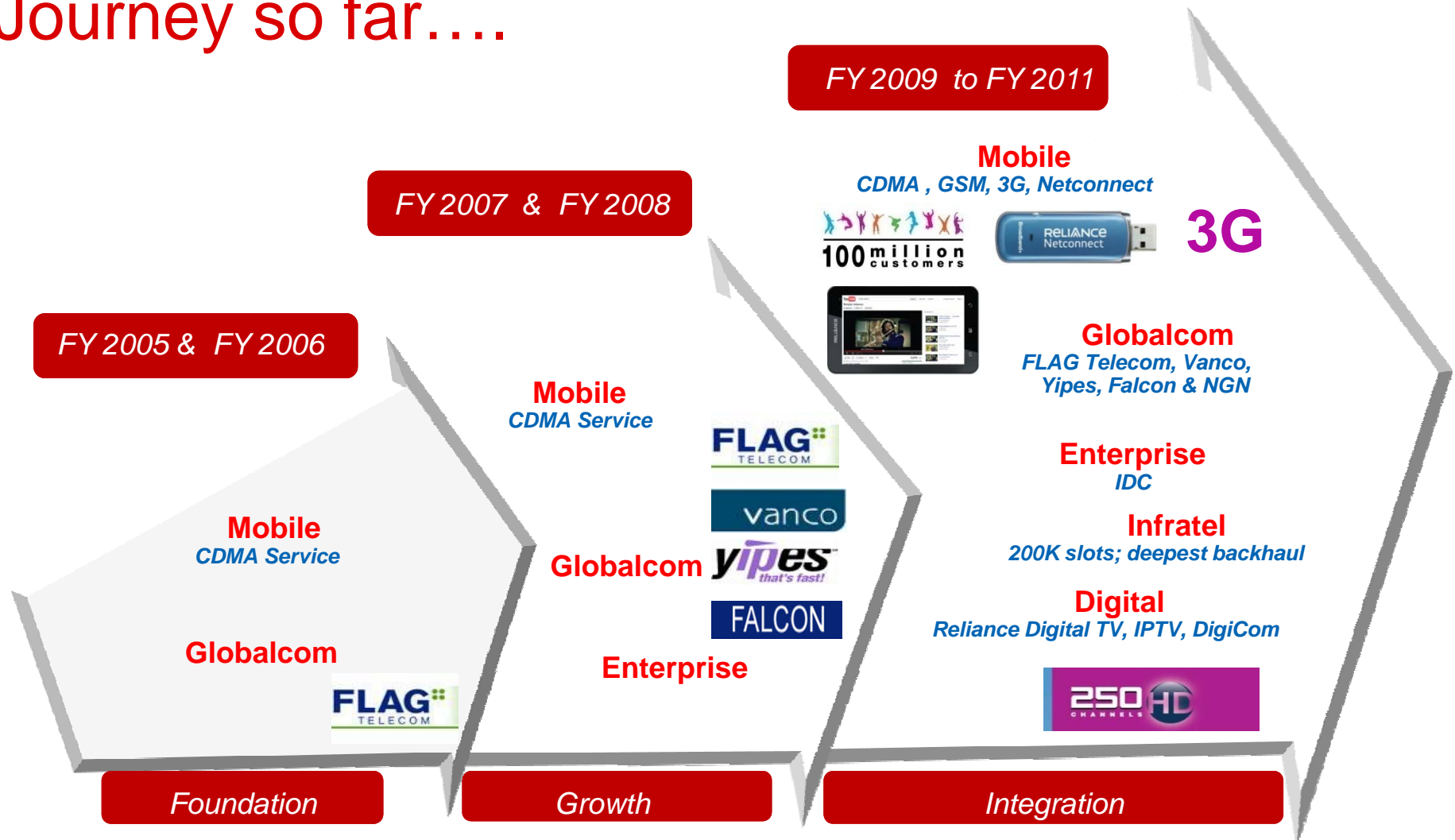
This presentation and the discussion that follows may contain “forward looking statements” by Reliance Communications Ltd (“RCOM”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects, 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

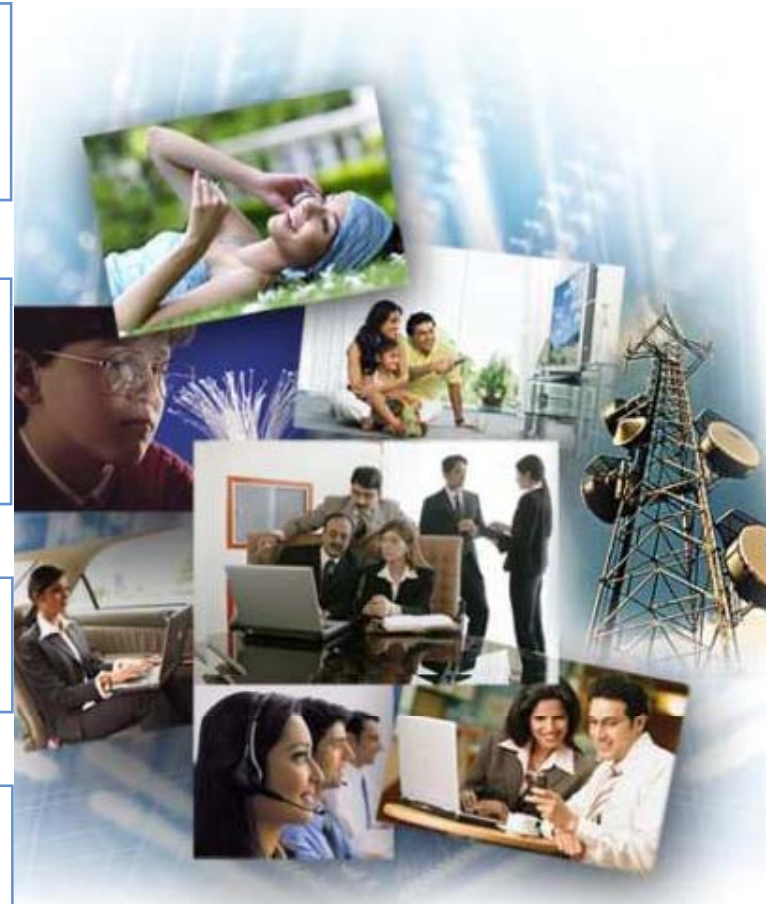
- ❑ Largest global private submarine cable network, blue-chip global clients
- ❑ One stop shop for all large corporates and SMBs for communications, networking and IT infrastructure needs
- ❑ Amongst Top 10 Data Centers in the world and # 1 in India

### Infratel

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

### Home

- ❑ Rapidly growing national DTH business, rich content access
- ❑ Industry's 1st offering of its kind – All 250 channels in High Definition like quality



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

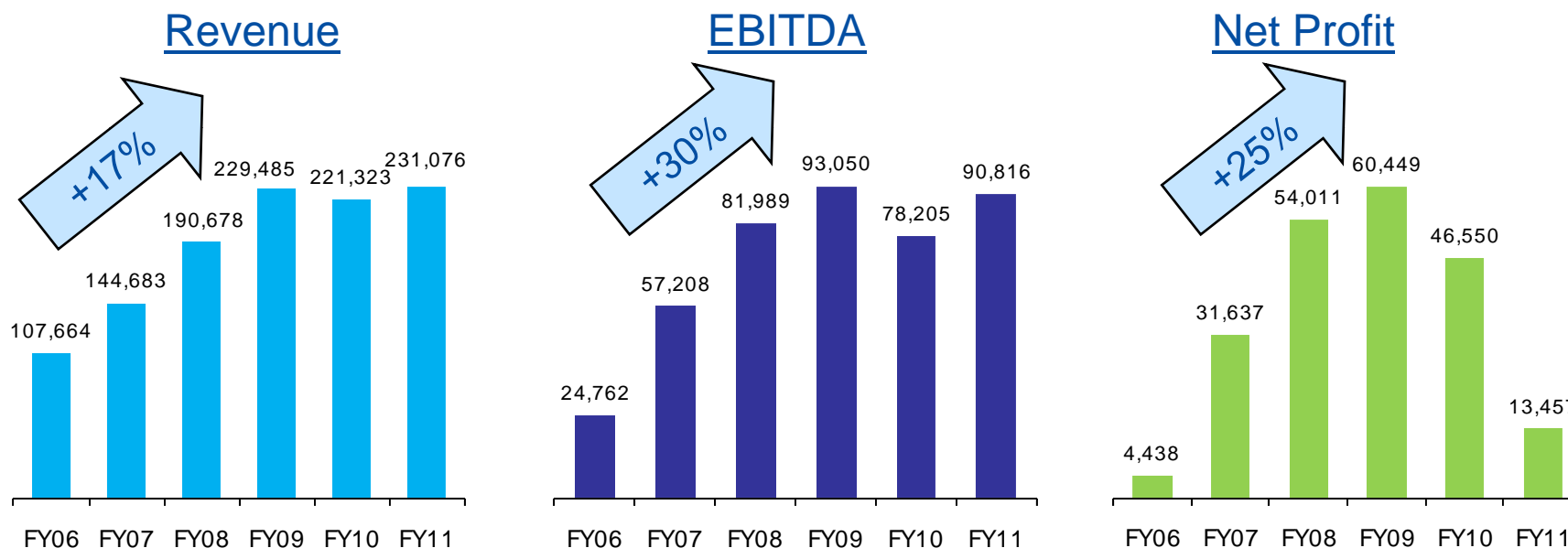
### Home



- ❑ 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



## Strengths of Wireless Business

- 1 150 Million Customer Base (December, 2011)
- 2 Dual Technology Advantage
- 3 Data Leadership ( 1x, EVDO, 3G)
- 4 Youth & Innovation Centric Brand
- 5 Focus on Quality of Minutes

All this with only 5 years of existence in industry, as compared to 15+ years for competition

## Strengths of Wireless Business



1

150 Million Customer Base (December, 2011)

2

Dual Technology Advantage

3

Data Leadership ( 1x, EVDO, 3G)

4

Youth & Innovation Centric Brand

5

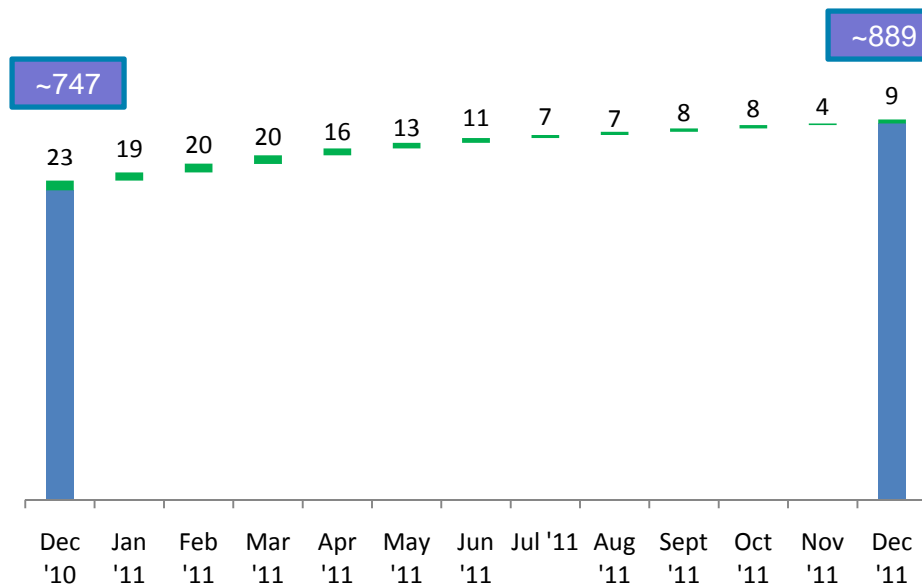
Focus on Quality of Minutes

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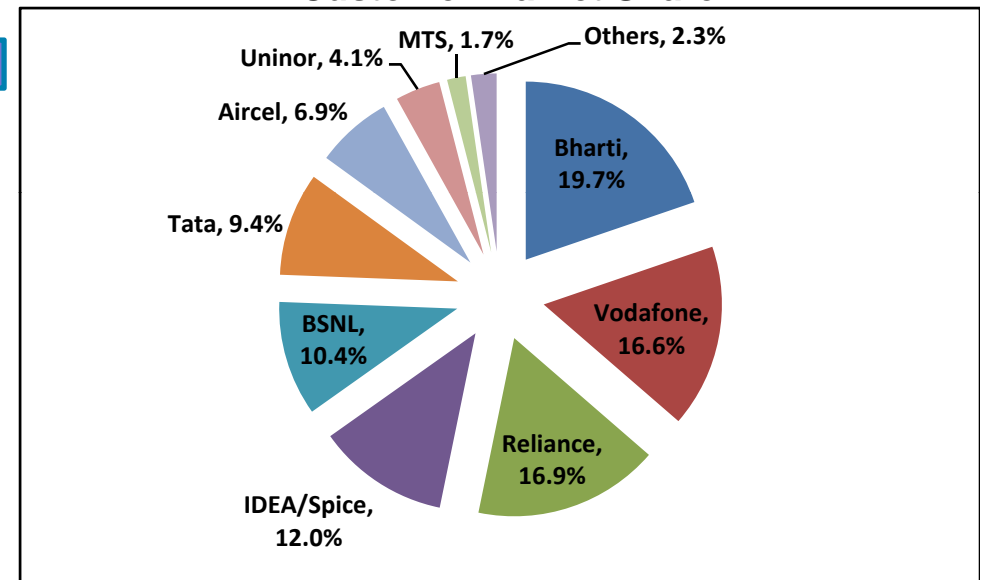
# Large and Healthy Customer Base

RCOM among top 2 players in India, generating over 1 bn Minutes / Day

Industry Subscriber Net Additions



Customer Market Share



RCOM (150 Mn)

~889 Mn wireless subscribers at the end of December 2011

Source: TRAI

Industry added 21 Mn. (net) in Q3 as compared to 22 Mn. in Q2

## Strengths of Wireless Business

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150 Million Customer Base (December, 2011)



2

Dual Technology Advantage

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Youth & Innovation Centric Brand

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Focus on Quality of Minutes

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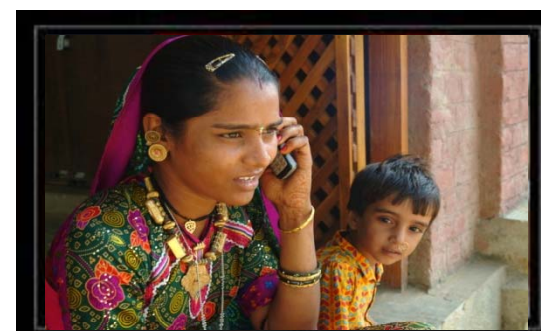
## Dual Technology Advantage



24,000 Towns

600,000 Villages

1 Billion Indians



Voice

Data

3G

EVDO

VAS



CDMA



GSM

## Widest Product Portfolio (Enhanced Data Offering)

### Mobile Handheld

### Dongles / Tabs

Voice



CDMA



GSM

Data



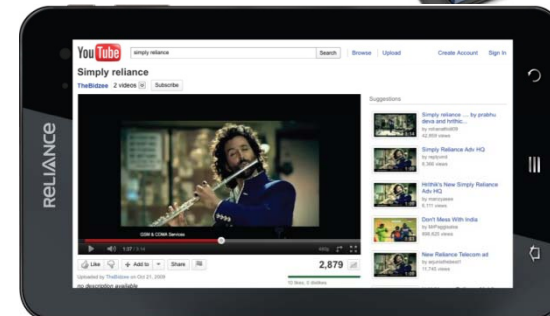
Video



3G HSPA



CDMA HSD



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

## Strengths of Wireless Business

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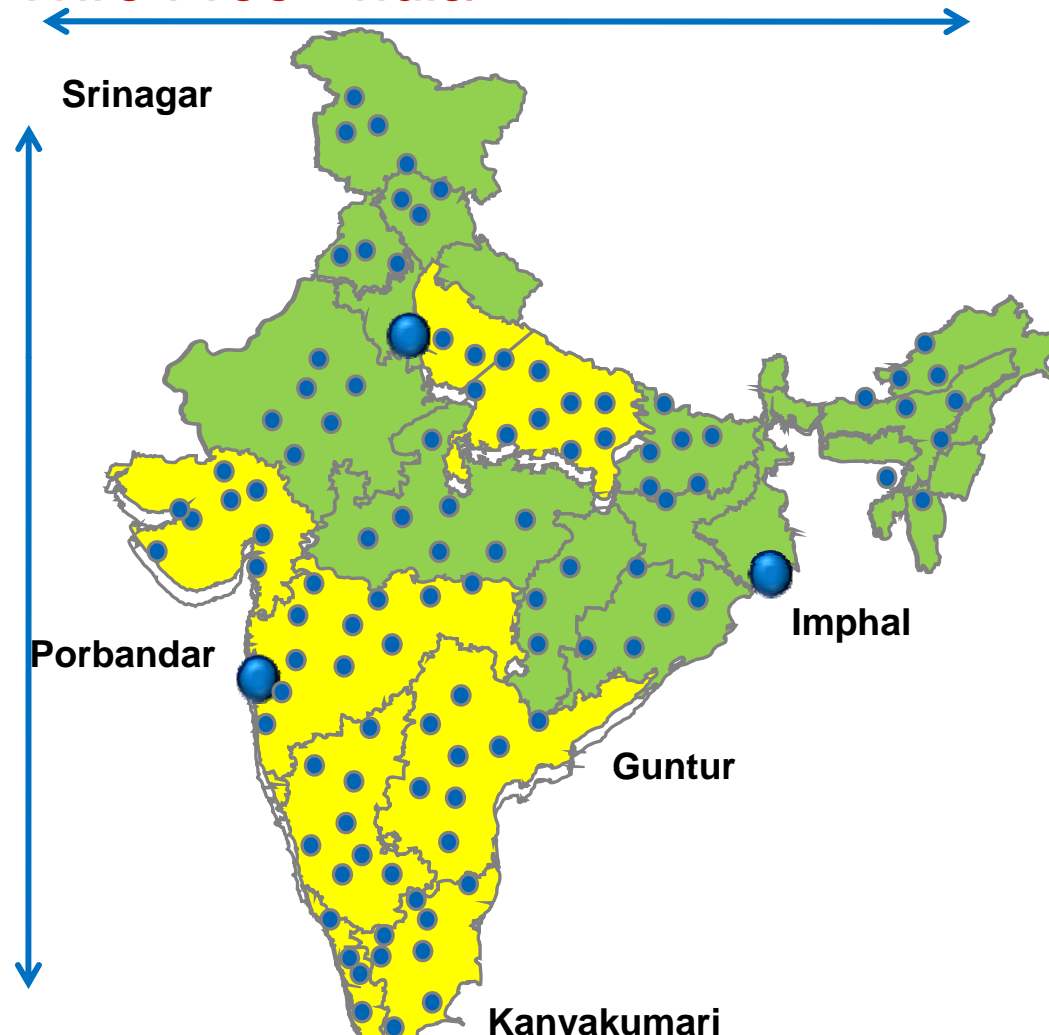
4 Youth & Innovation Centric Brand

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## Data Leadership : Leading the 2<sup>nd</sup> telecom revolution enabling “Wire Free” India



High speed data internet

Number of towns 1,300 +

Mobile internet

Number of towns 20,000 +

Number of High Speed Data offering towns increased from 65 to 1300 in last one year



## Strengths of Wireless Business

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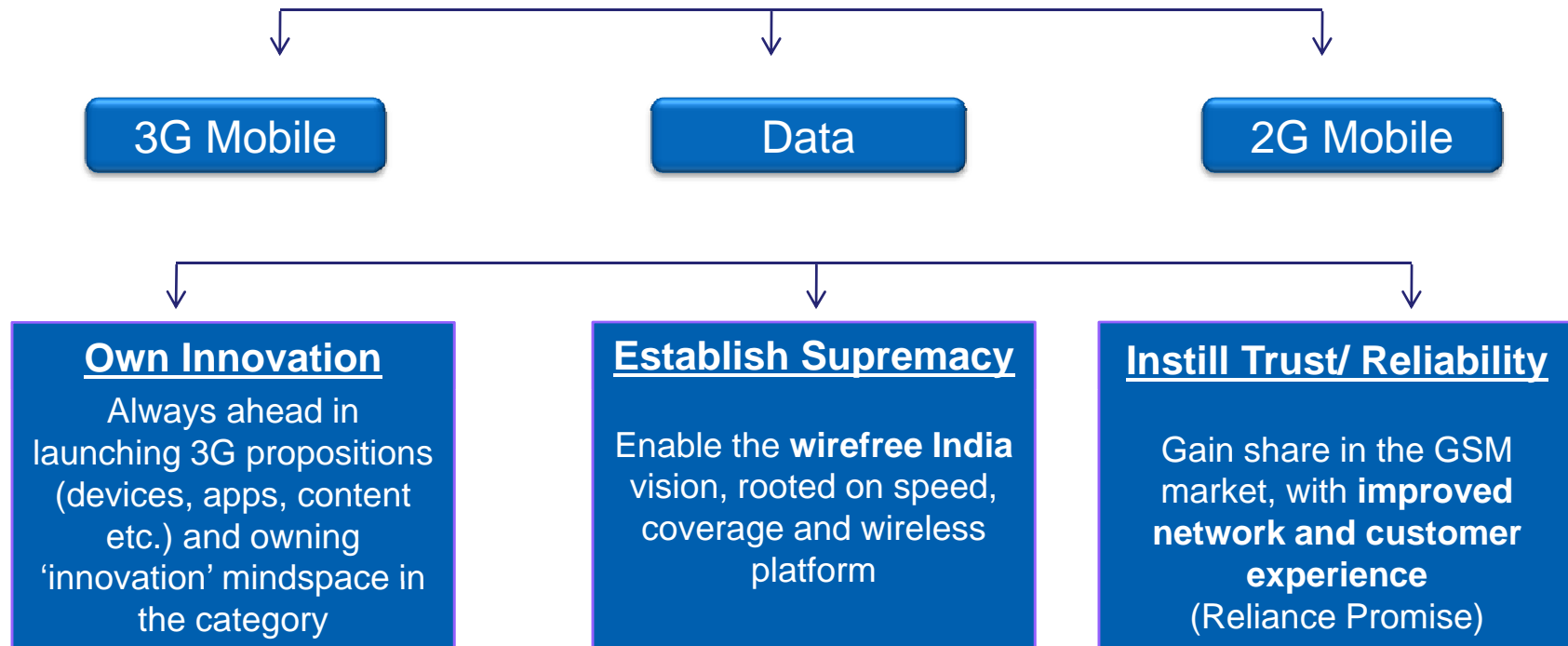
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## Youth & Innovation-centric Brand

### Redefining Brand Positioning



## 3G Focused Co-Marketing with Handset Partners

Nokia C7 Co-marketing

Nokia Ovi Exclusive Tie Up



RELIANCE 3G

**The best just got better.**  
Nokia C7 now meets Reliance 3G.

**Pre-paid offer:**

- ▶ 200MB data per month for 3 months
- ▶ 50 minutes Video Calling per month for 3 months
- ▶ Mobile TV pack for one month

\*Applicable on minimum recharge of ₹200 per month.

**Post-paid offer:**

- ▶ 500MB data per month for 6 months
- ▶ Mobile TV pack for one month

\*Applicable on plan of ₹196 and above.

India's No.1 Network. **Td**  
Call: 1800 100 3033 or SMS: 3G to 51234

Social  
E-mail  
Ovi Store  
Ovi Maps  
RMP Camera

**NOKIA**  
Connecting People

Nokia C7

LG Optimus 2X



RELIANCE 3G LG Life's Good

**World's 1st Dual Core Smartphone**  
**Fastest on Reliance 3G**

Get your Optimus 2X cost back with Reliance 3G's "Money Back Plan" & save up to ₹20,000\*

India's No.1 Network. **Td**  
\*T&C Apply. For Details Call 1800 100 3033 or visit [www.reliance.co.in/3g](http://www.reliance.co.in/3g)

optimus 2X P990

ANDROID™ 2.2

## Reliance 3G Tab



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3G Tab

**The Reliance 3G Tab. Redefining 'fully loaded'.**  
 Declared *'The Best Value For Money Tab'* of 2011 by *The Times of India*.

This new year, avail **3 irresistible new offers\*** worth ₹1800 with a fully loaded Reliance 3G Tab.

<b>BIGFLIX+</b> FREE 2 months subscription	+	<b>3G Data</b> FREE Data Usage of 500 MB for 3 months	+	<b>Reliance Global Call</b> FREE Intl. Calls worth ₹250
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\*Terms & Conditions apply. For detailed T&C, call 1 800 100 3333 or visit [www.rcom.co.in/3G](http://www.rcom.co.in/3G)



## 3G Mobile - Just 3G Vs Reliance 3G

Key proposition “Switch to Reliance for the fastest 3G experience”



### Impact Property

India v/s England Series,  
Presenting sponsorship of over  
250 properties covering movies &  
sports



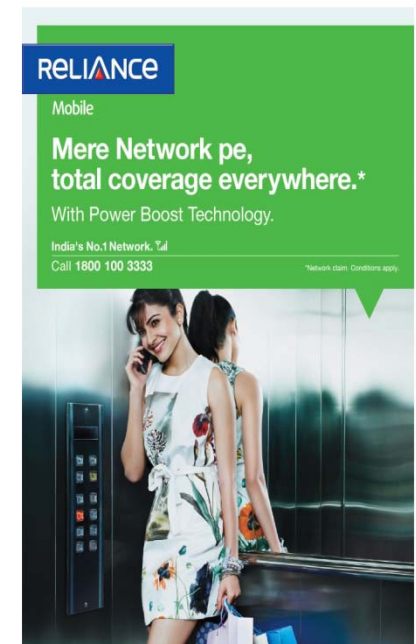
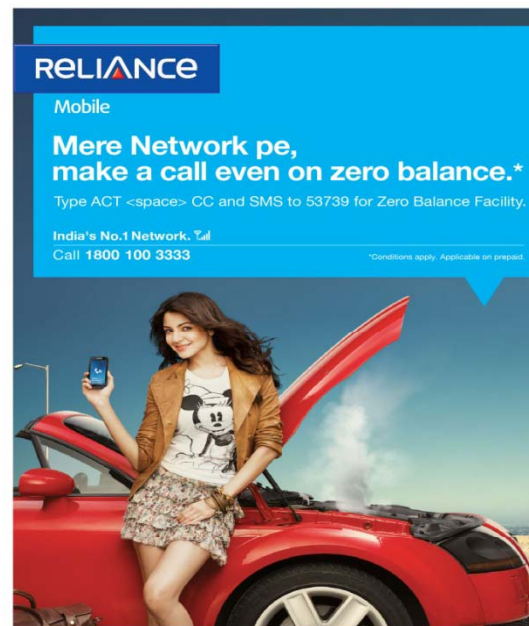
## Youth-centric campaigns for Data & 2G Voice offerings



### New TVC Campaigns

*"It's fast, are you?"*

**Mera Network Vs Tera Network**



## Strengths of Wireless Business

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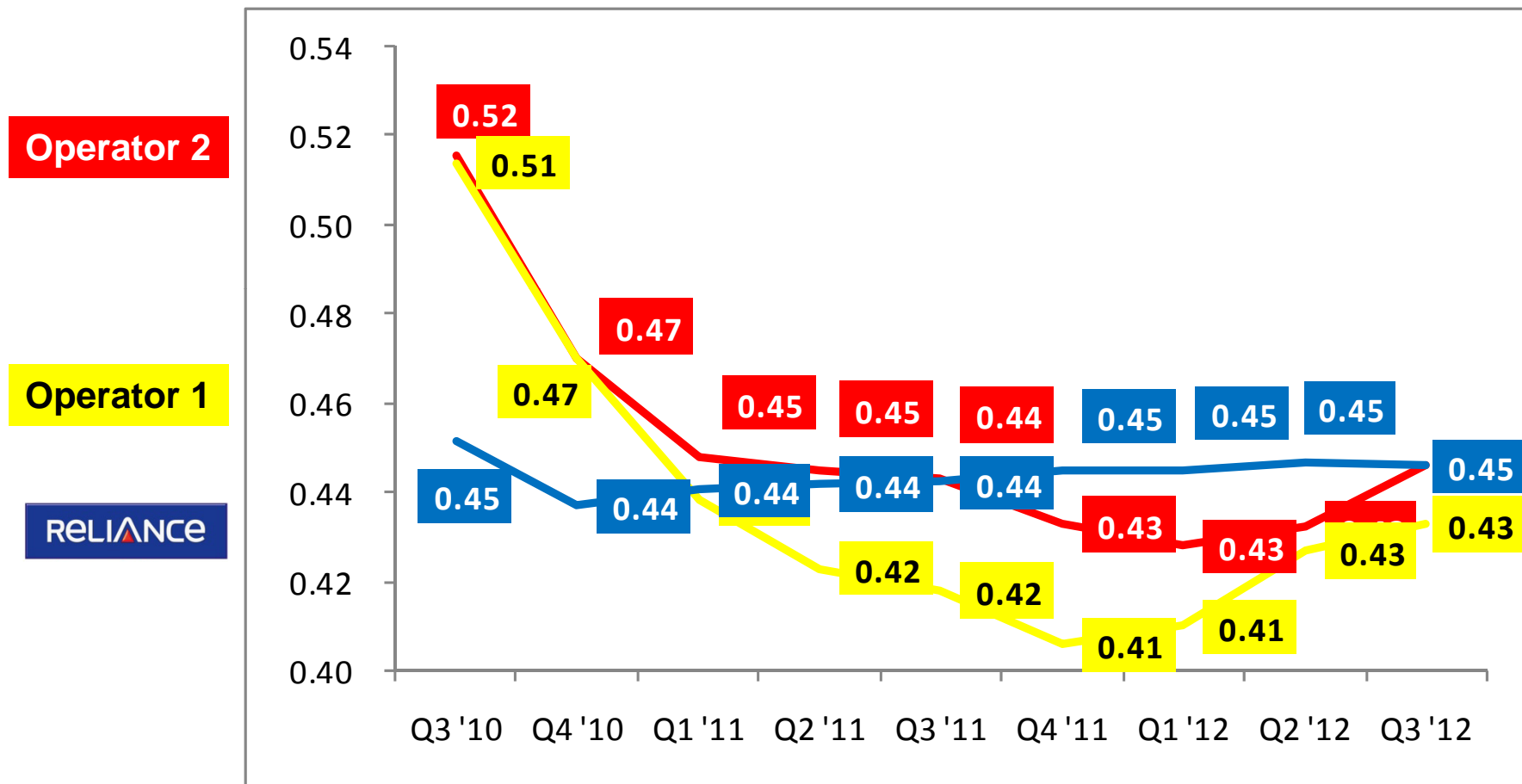
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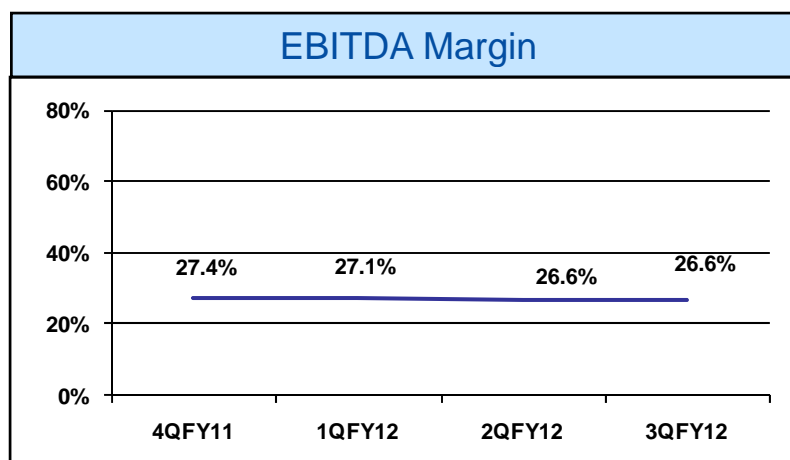
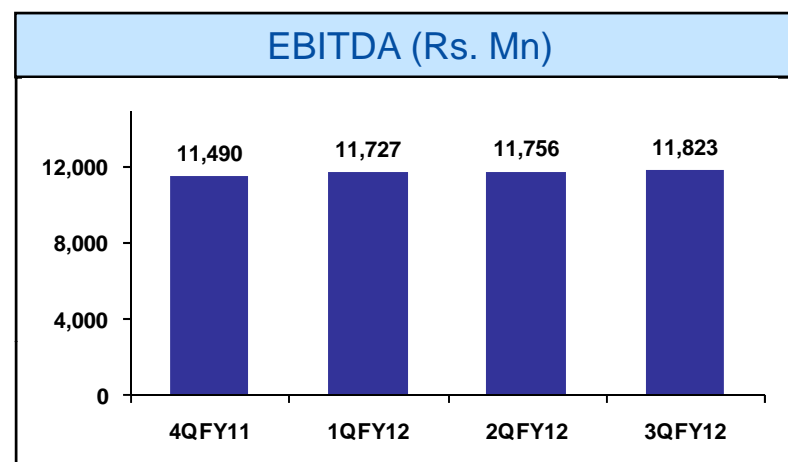
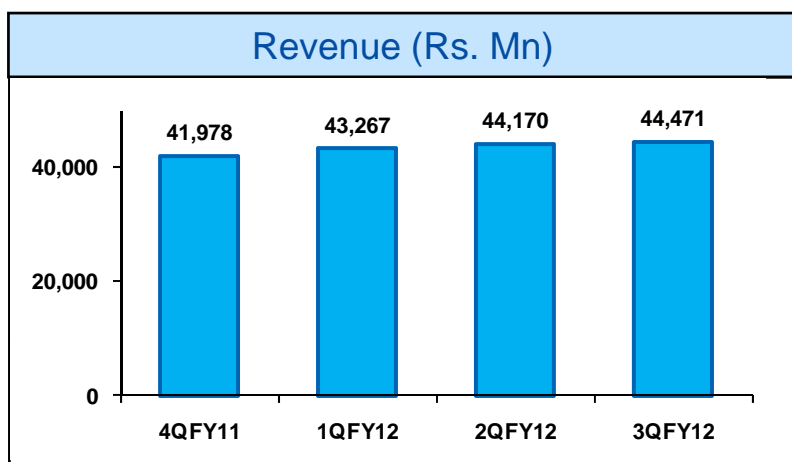
## Quality of Minutes



RCOM has with-held its Rate Per Minute for the last 8 quarters despite intense pricing pressure



## Financial Performance



Stable revenue and margins in hyper-competitive environment

## 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



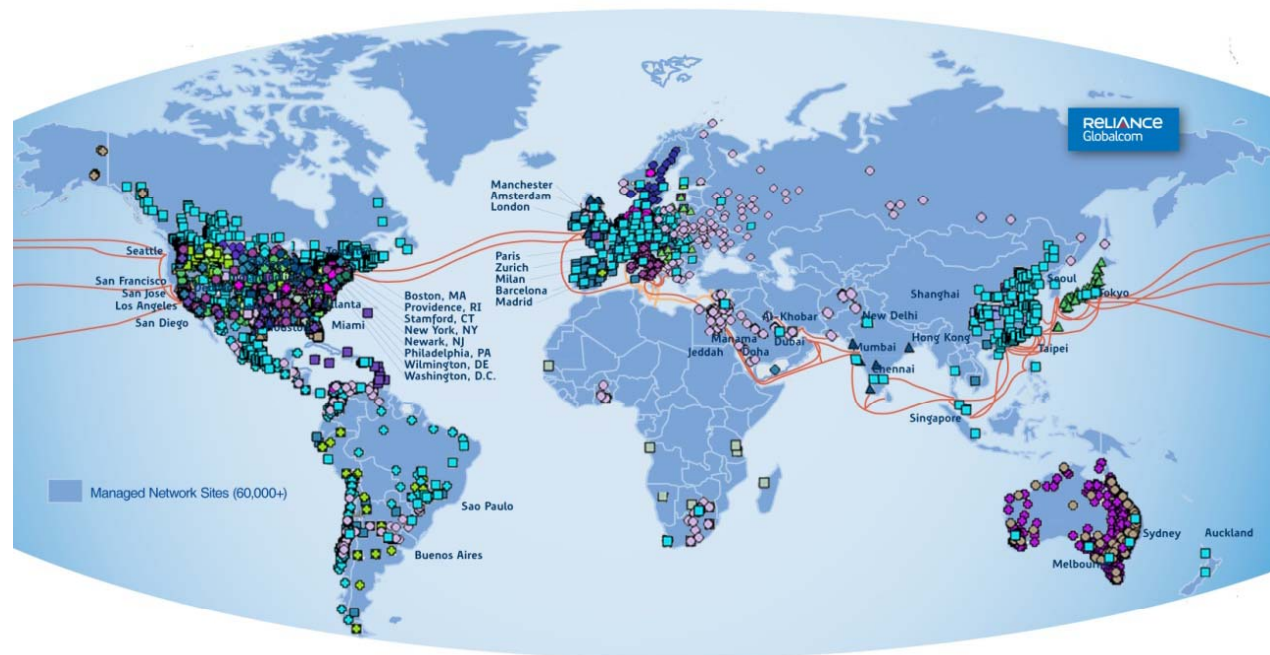
Network connecting over 85% of the world's population

## 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

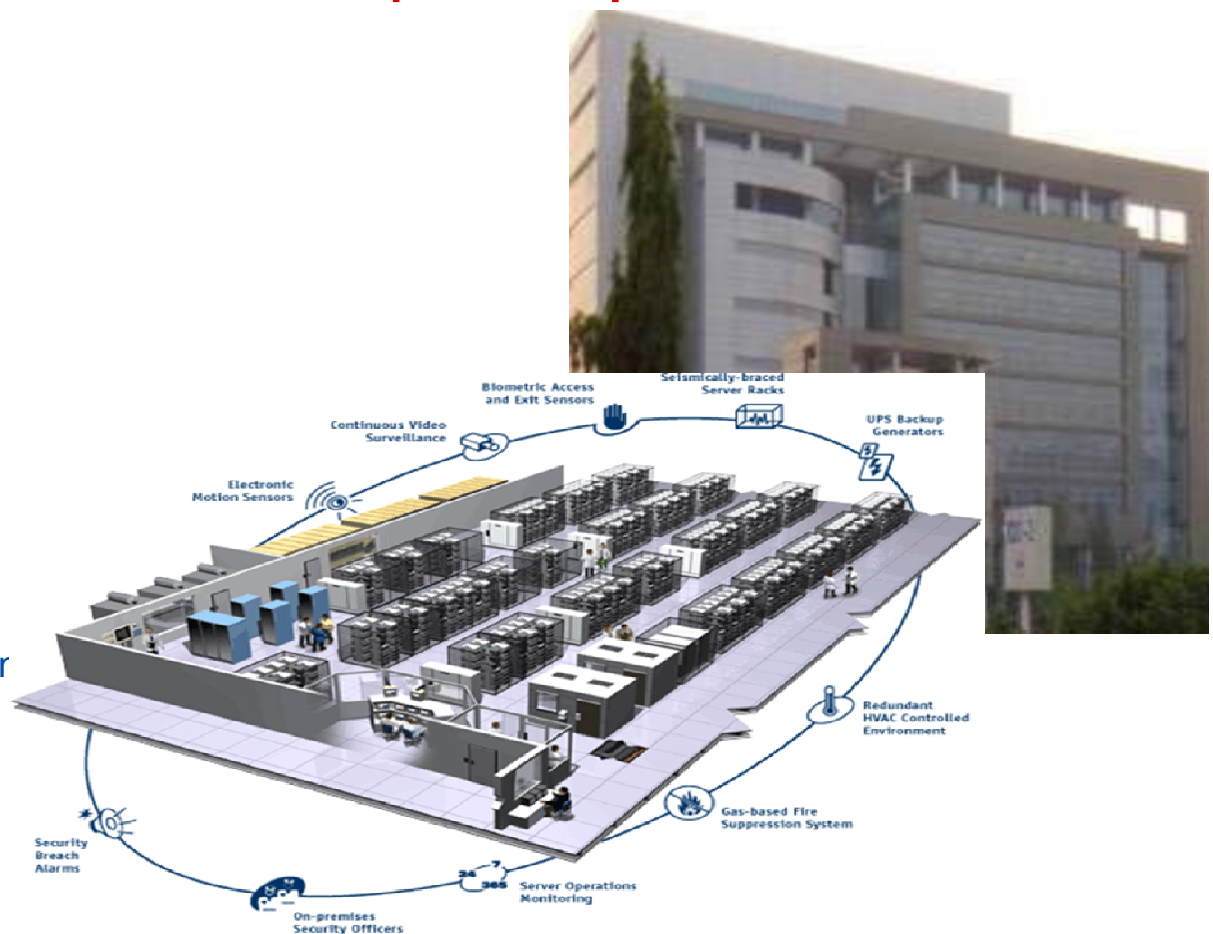
### Global Network



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 the 'RELIANCE iCall' website, which features a login section with fields for 'USERNAME' and 'PASSWORD', and buttons for 'Login' and 'Recharge'. It also highlights a '1 cent/min PC to Phone calls to 20 countries' offer, listing countries like India, USA, Canada, China, Singapore, Thailand, and others. The bottom screenshot is the 'RELIANCE Global Call' website, which promotes 'Call over 200 countries' and shows a 'New Call Rates' section with rates for USA (2.49 Rs/min) and Australia (7.99 Rs/min). It also features a 'Refer a friend' section and a 'Customer Speak' testimonial.

## 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



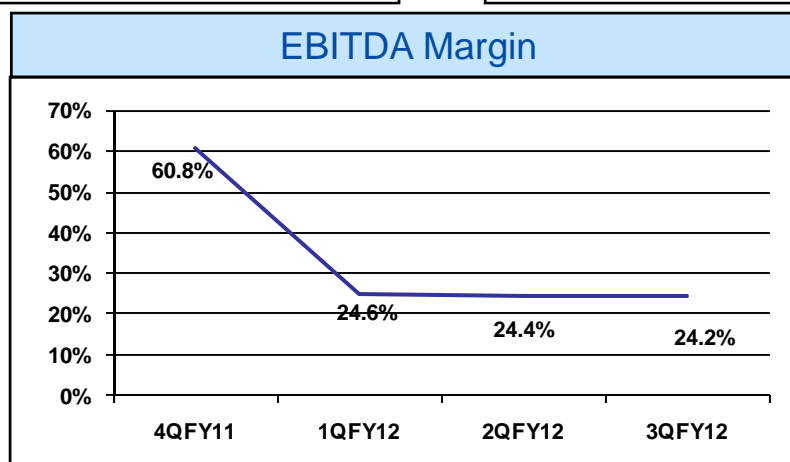
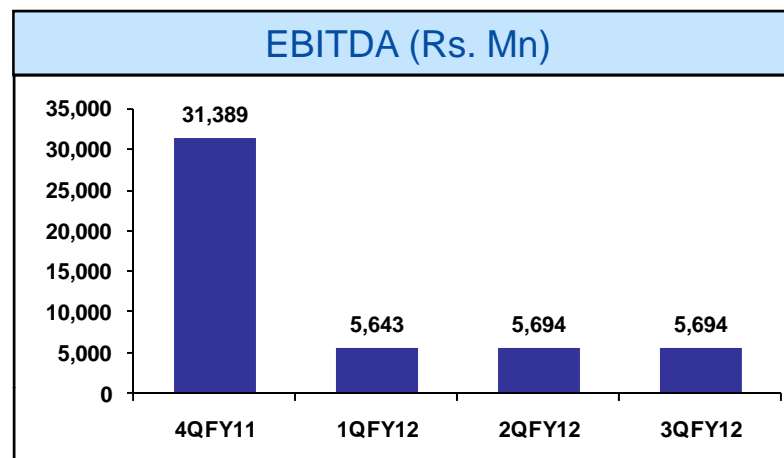
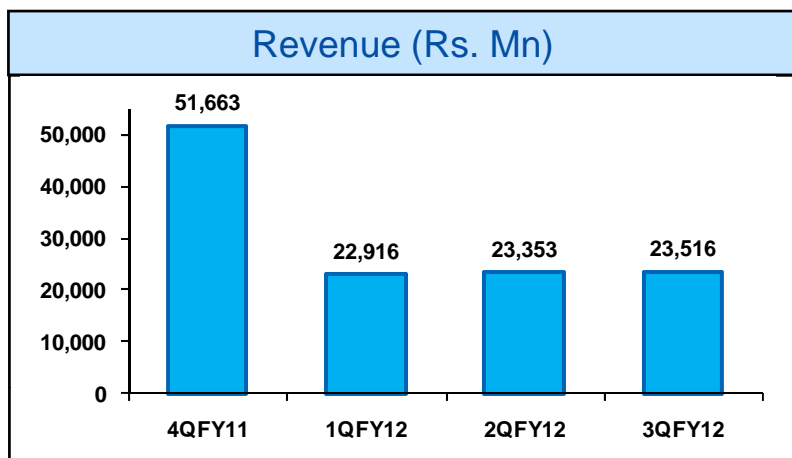
### Consumer

- 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

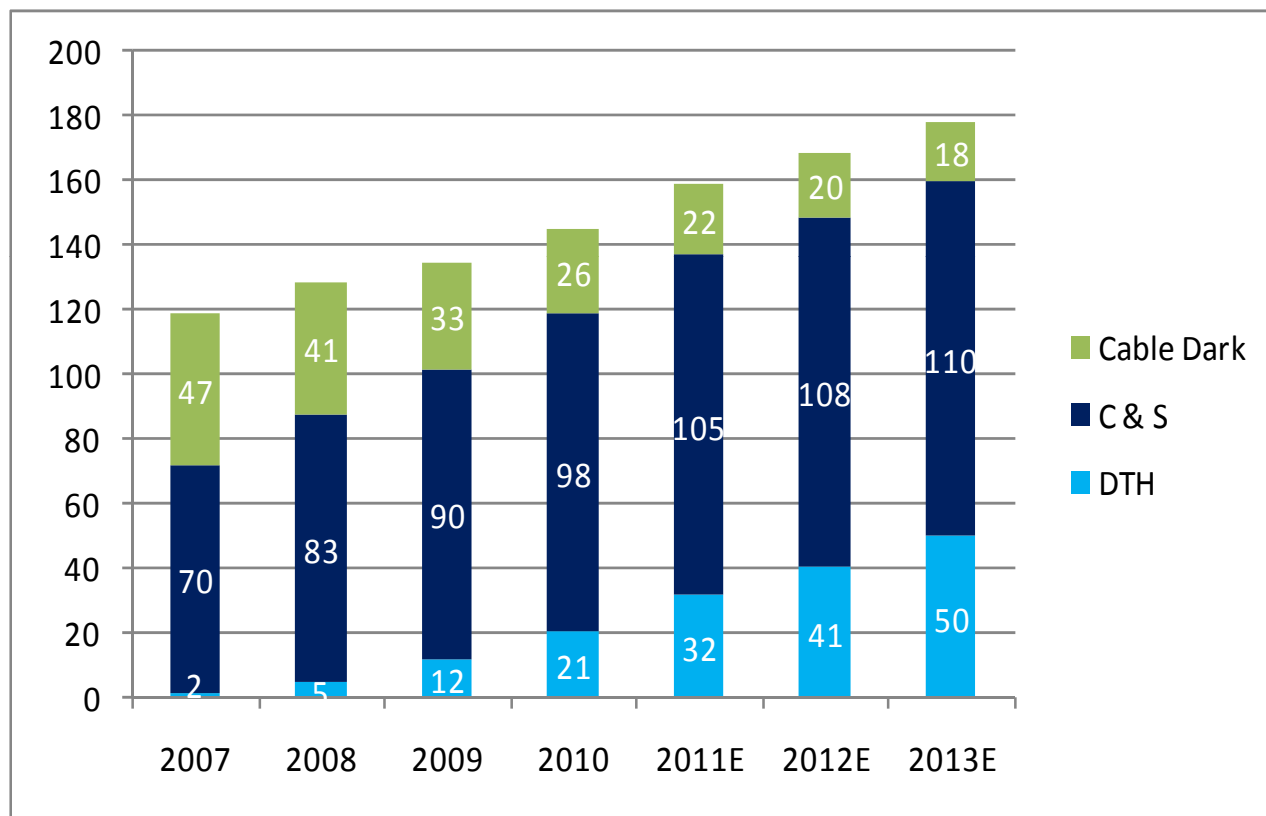
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Home

- ❑ 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](http://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](http://www.reliancedigitaltv.com)

₹2590

**10x**  
UP TO 10 TIMES SHARPER  
PICTURE QUALITY

**16:9**  
WIDE ASPECT  
RATIO

**1080p**  
OVER  
8 MILLION PIXELS

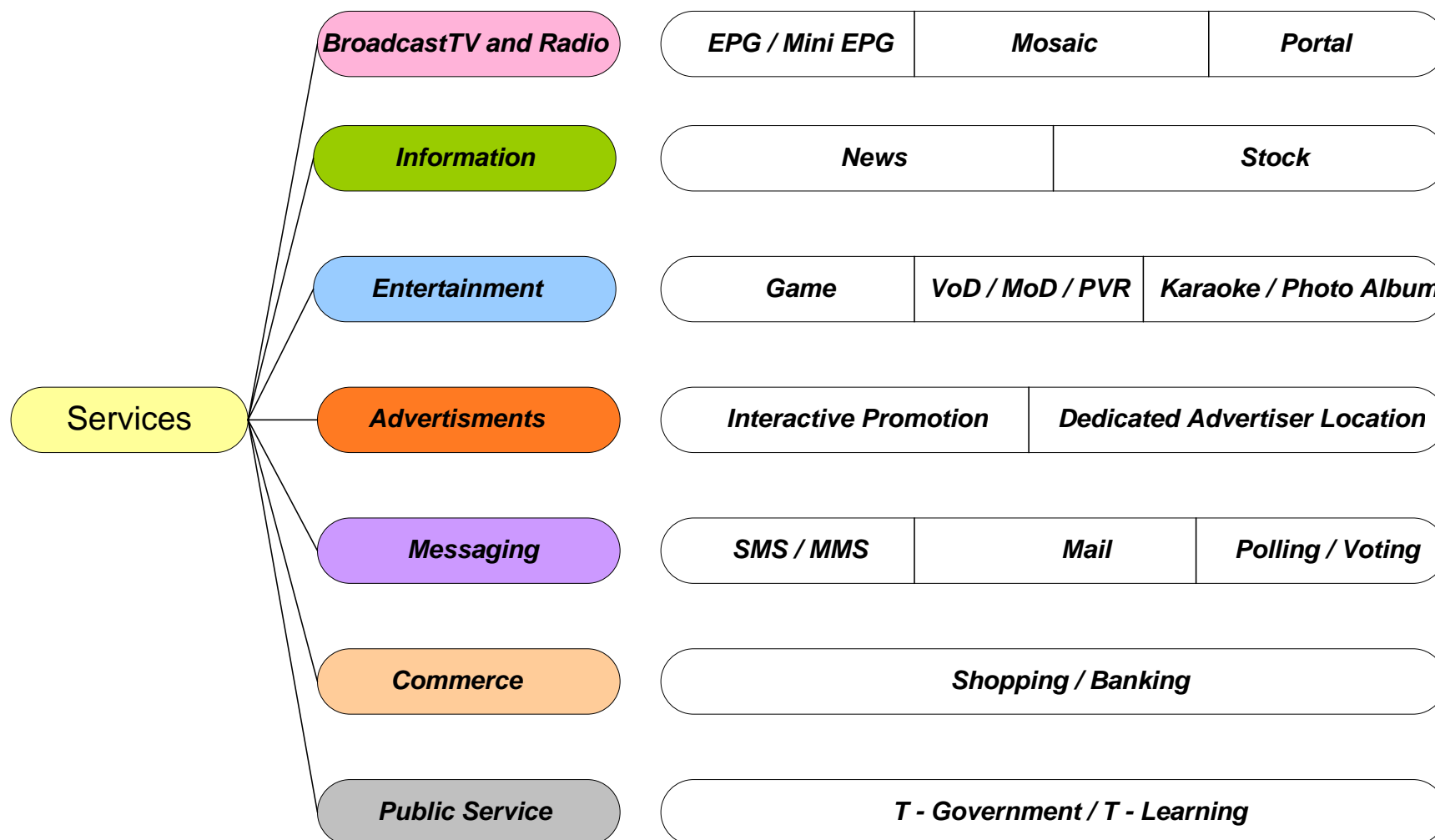
**HDMI**  
HIGH DEFINITION  
MULTIMEDIA INTERFACE

**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



RELIANCE

Digital TV

### 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



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Key takeaways

# Drivers for future growth and shareholder value

## Drivers

- ❑ Tower transaction:
  - Received offers from several interested parties
  - Proceeding on track and is at advanced stage
- ❑ Peak investment phase over: RCOM continues to be free cash flow positive. This trend to continue in succeeding years
- ❑ Financials at inflection point as GSM and 3G momentum scales up
- ❑ Besides wireless, massive opportunity exists in expansion of Enterprise / IDC and newer segments including DTH
- ❑ 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 with significant free cash flow generation to place RCOM in a much stronger financial position**

RELIANCE

Thank you

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