

Reliance Communications

Investor Presentation

May, 2011

RELIANCE

Forward looking statements – Important Note

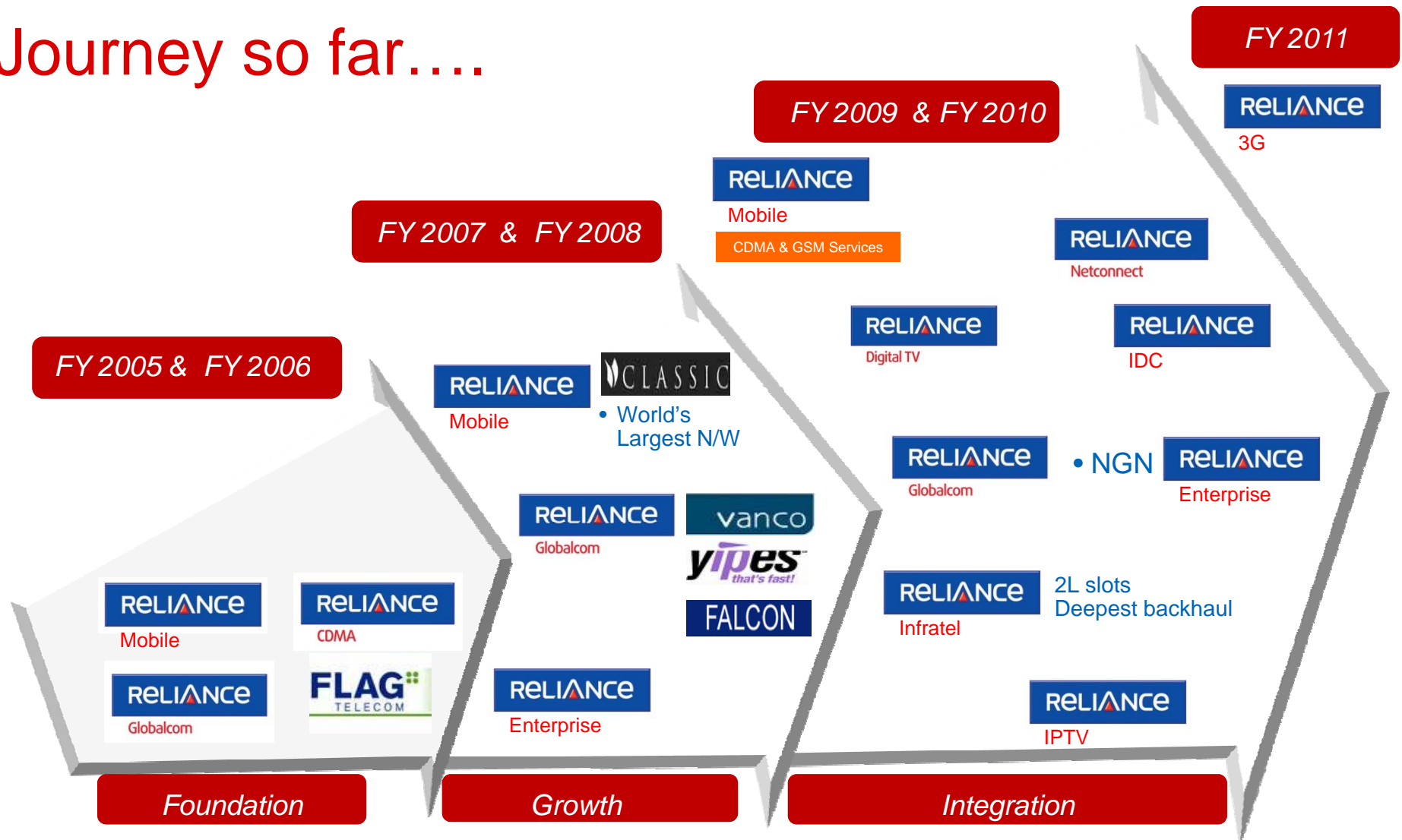
This presentation and the discussion that follows may contain “forward looking statements” by Reliance Communications Ltd (“RCOM”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects,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

Globalcom

- ❑ Largest global private submarine cable network, blue-chip global clients

Enterprise

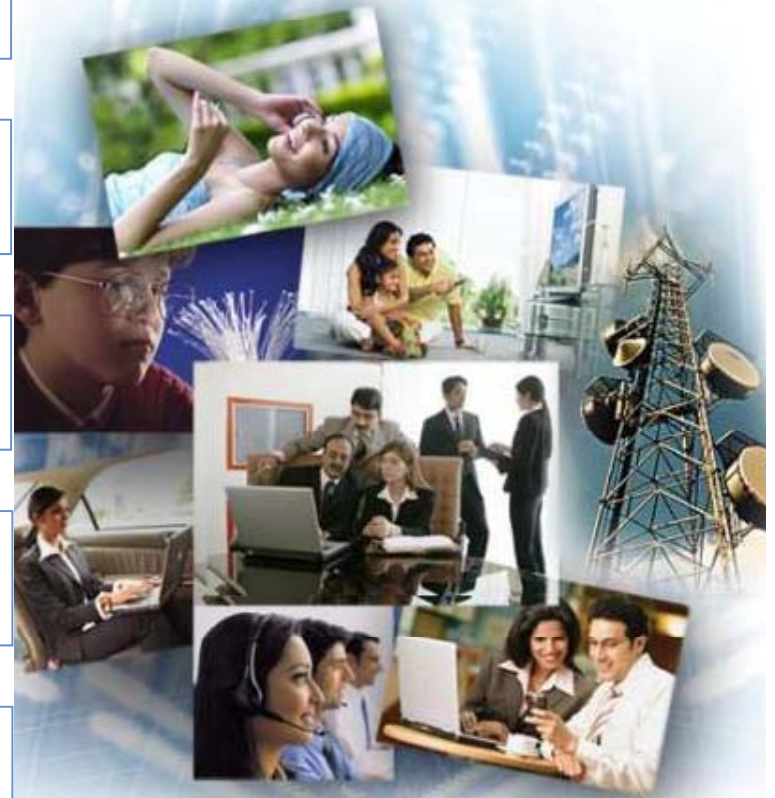
- ❑ One stop shop for all large corporates and SMBs for communications, networking and IT infrastructure needs

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 3G services & high speed datacards
- ❑ Increased revenue from new service streams (share of VAS & In-roaming revenue)

Infratel



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

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

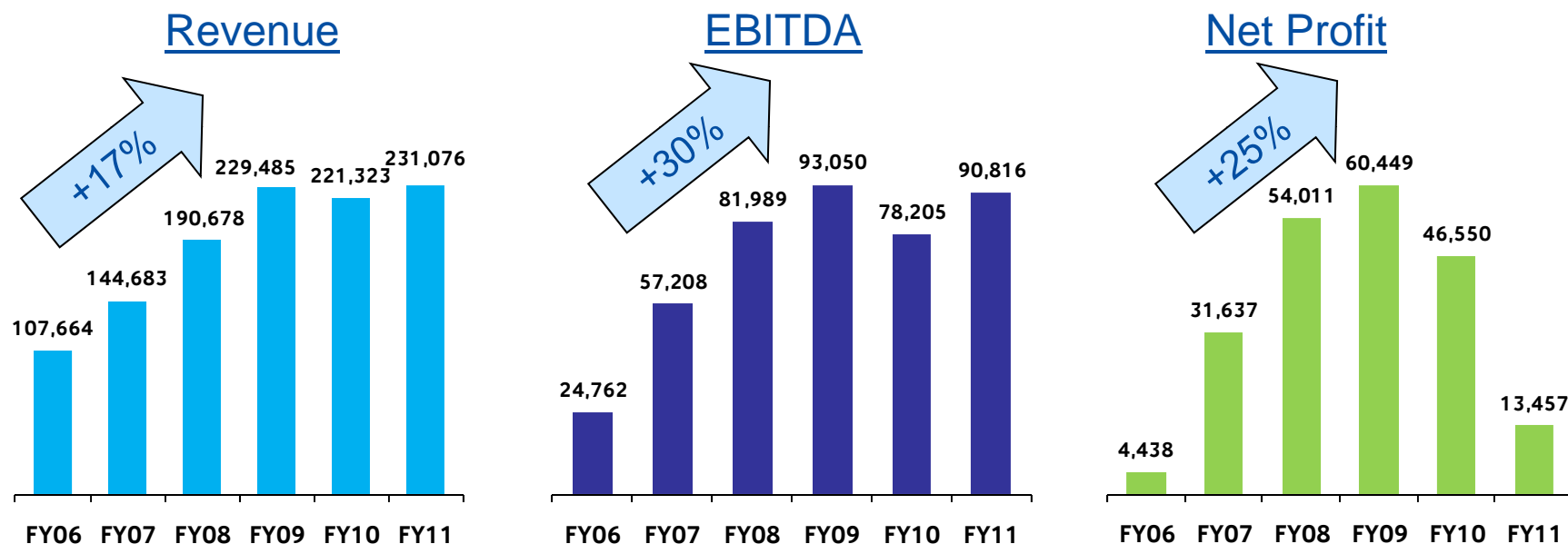
Home



- ❑ 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)



Maintaining Revenue & EBITDA levels in hyper competitive market

Contents

- ❑ Reliance Communications – an integrated telco

Wireless

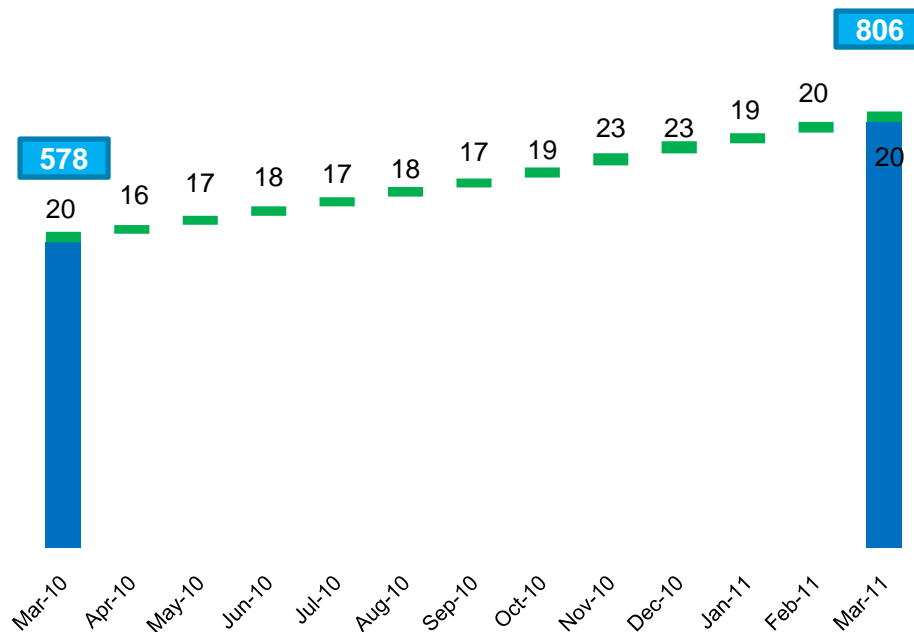
- Global Enterprise
- Home

- ❑ Key takeaways

Industry outlook : India's growing mobile market

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

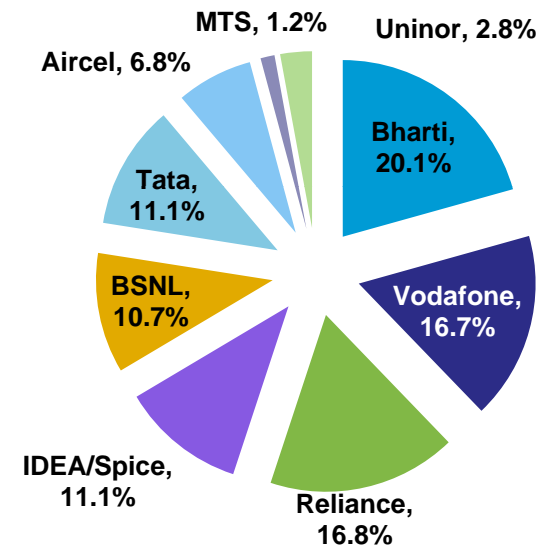
Industry Subscriber Net Additions



RCOM (136 Mn)

806 Mn wireless subscribers at the end of March 2011

Customer Market Share



Source: TRAI

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

Indian telecom : Fast changing landscape

Operators



Hyper competition - Number of players increased from 7 to 15 in last one year

Price Wars



Multiple product offerings with innovation on price and tariff cuts only

Call Rates



2007

2010

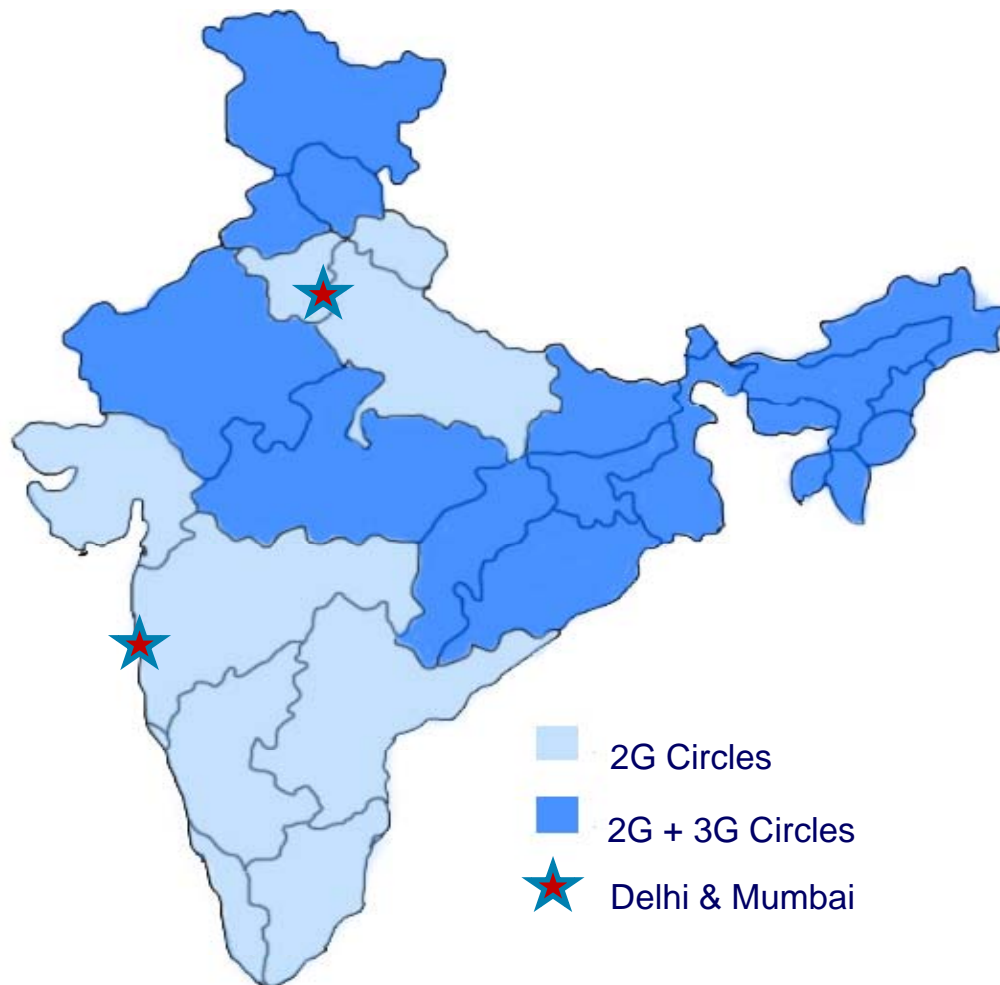
Intense Price cuts reduced the call rate from Rs.2/- in 2007 to just 1p in 2010

Strengths of Wireless Business

- 1 Dual technology advantage
- 2 Data leader (HSD / EVDO)
- 3 136 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

3G license in 13 circles; Pan-India data leadership



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



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

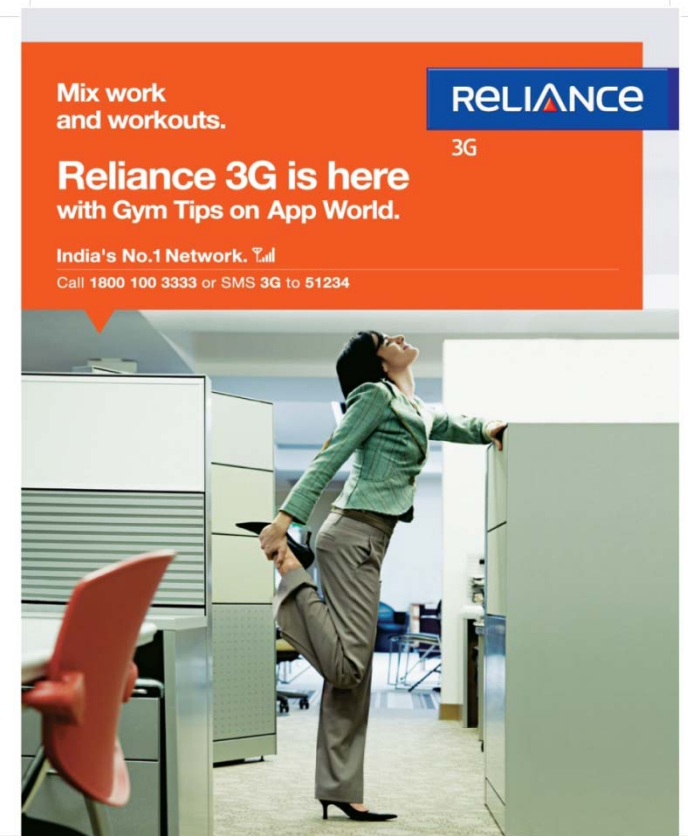


Marginal capex for 3G upgrade on our EDGE GSM network

Nationwide EVDO/ 3G footprint

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 330 cities & towns



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.

Product & Service innovations

5.

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

Customer Choice

Mobile Handheld

Voice



CDMA



GSM

Data



Video



Dongles

3G HSPA



CDMA HSD



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

HSD/Internet on the Move

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

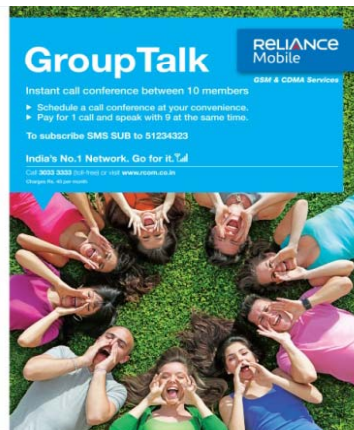
Competitive differentiation

- ❑ Fastest internet broadband (High Speed Data) service in India's top 500+ 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

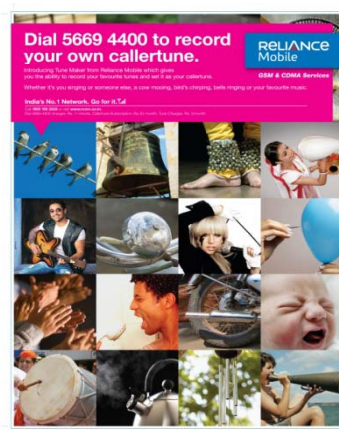
Fastest internet connectivity under wireless platform

Product & Service innovations

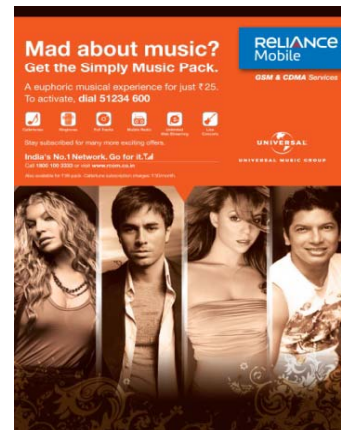
Group Talk



Tune Maker



Simply Music



Nokia Life Tools



Bubbly (voice twitter)

App Store



Location Based Services

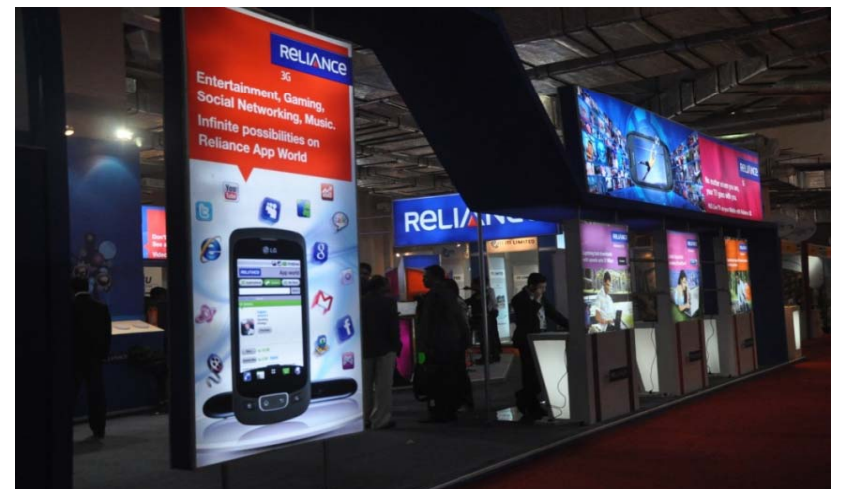


WAP Portal



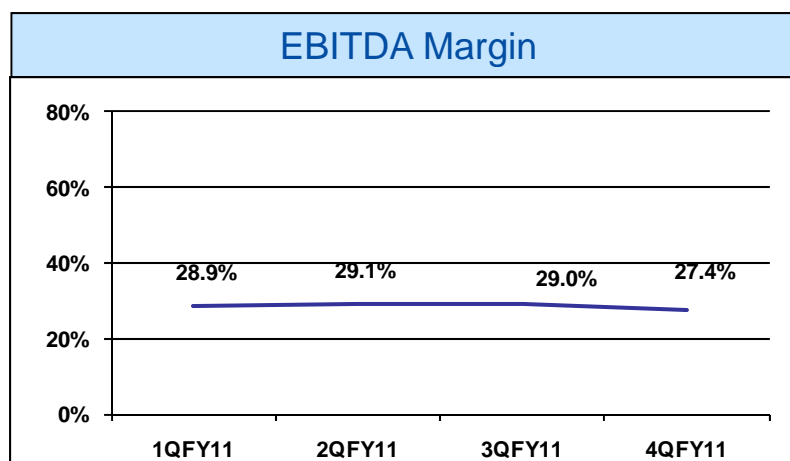
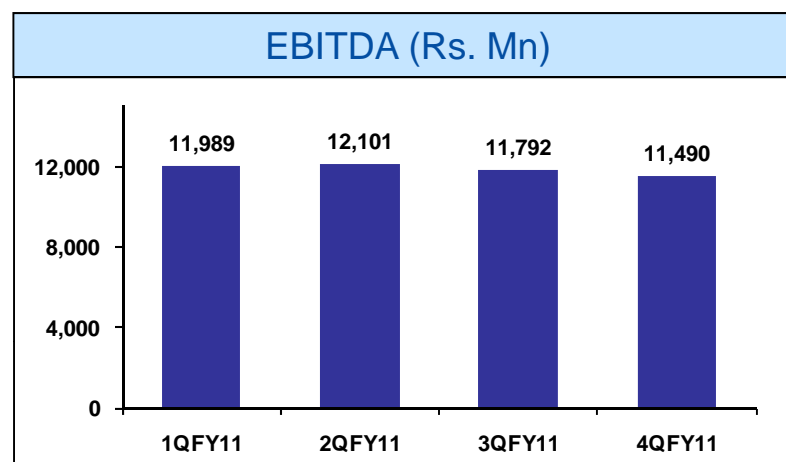
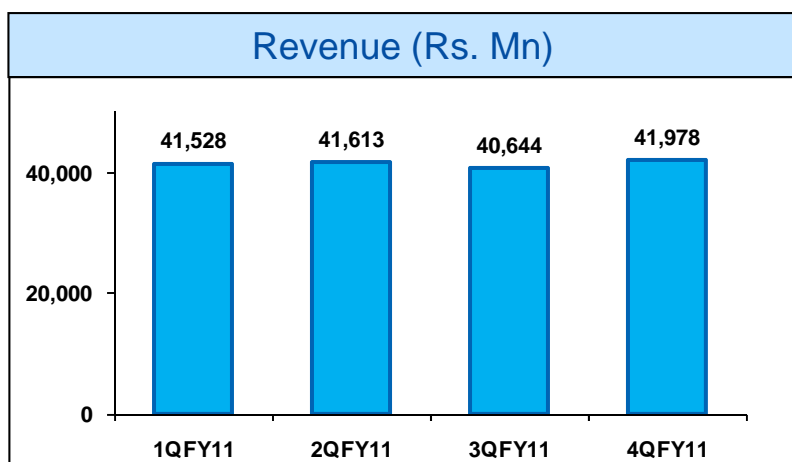
Distribution & Reach

- ❑ 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 & 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



One of the largest retail distribution network in the industry

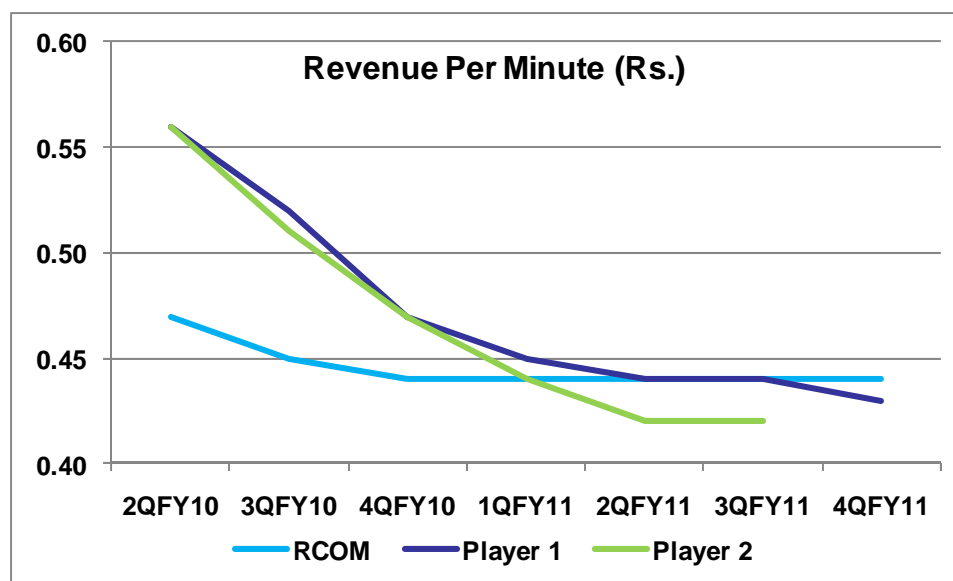
Financial Performance



Short term impact due to competitive intensity and portfolio rebalancing

Revenue Per Minute (RPM) trend

	2Q'10	3Q'10	4Q'10	1Q'11	2Q'11	3Q'11	4Q'11	Change over last 6 Qtrs.
Player 1	0.56	0.52	0.47	0.45	0.44	0.44	0.43	-23.2%
Player 2	0.56	0.51	0.47	0.44	0.42	0.42	na	-25.0%
RCOM	0.47	0.45	0.44	0.44	0.44	0.44	0.44	-6.4%

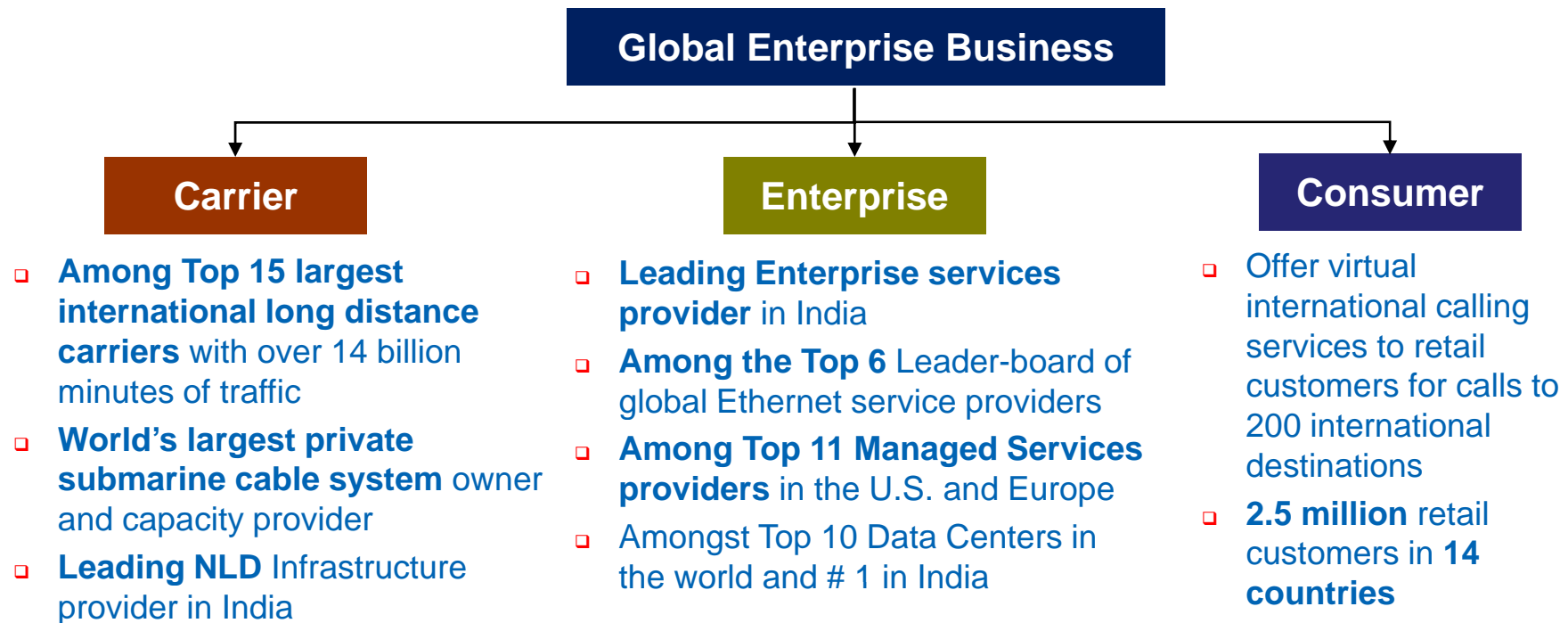


RCOM, the only operator which has held on to the RPM over last 5 quarters

Contents

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

Overview



Scalable and proven **infrastructure and capabilities** are in place to enable the **next phase of growth**

Key Highlights

1	Infrastructure	Geared for exponential growth of application and content traffic
2	Customers	Diverse base includes the largest data users in developed and emerging markets
3	Products & Services	Complete suite of products to capture growth across the value chain
4	Organisation	Multicultural, close to customer, strong on-the-ground presence
5	Financials	Profitable growth momentum and strong cash generation

Network reach

- ❑ 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



Network connecting over 85% of the world's population

Biggest data center player in India

- ❑ Nine data centres with level 3+ accreditation – more than 450,000 sq ft of facilities space
- ❑ Geographic redundancy
- ❑ Wide & complex application hosted
 - Core Banking, ATM/ Internet Banking
 - Complex ERP/ SAP Applications
 - Complex Intranet/ Customized Apps.
 - Large Messaging Applications



Expanding capacity to cater to fast growing demand

Diverse and extensive customer base

Carrier

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

Enterprise

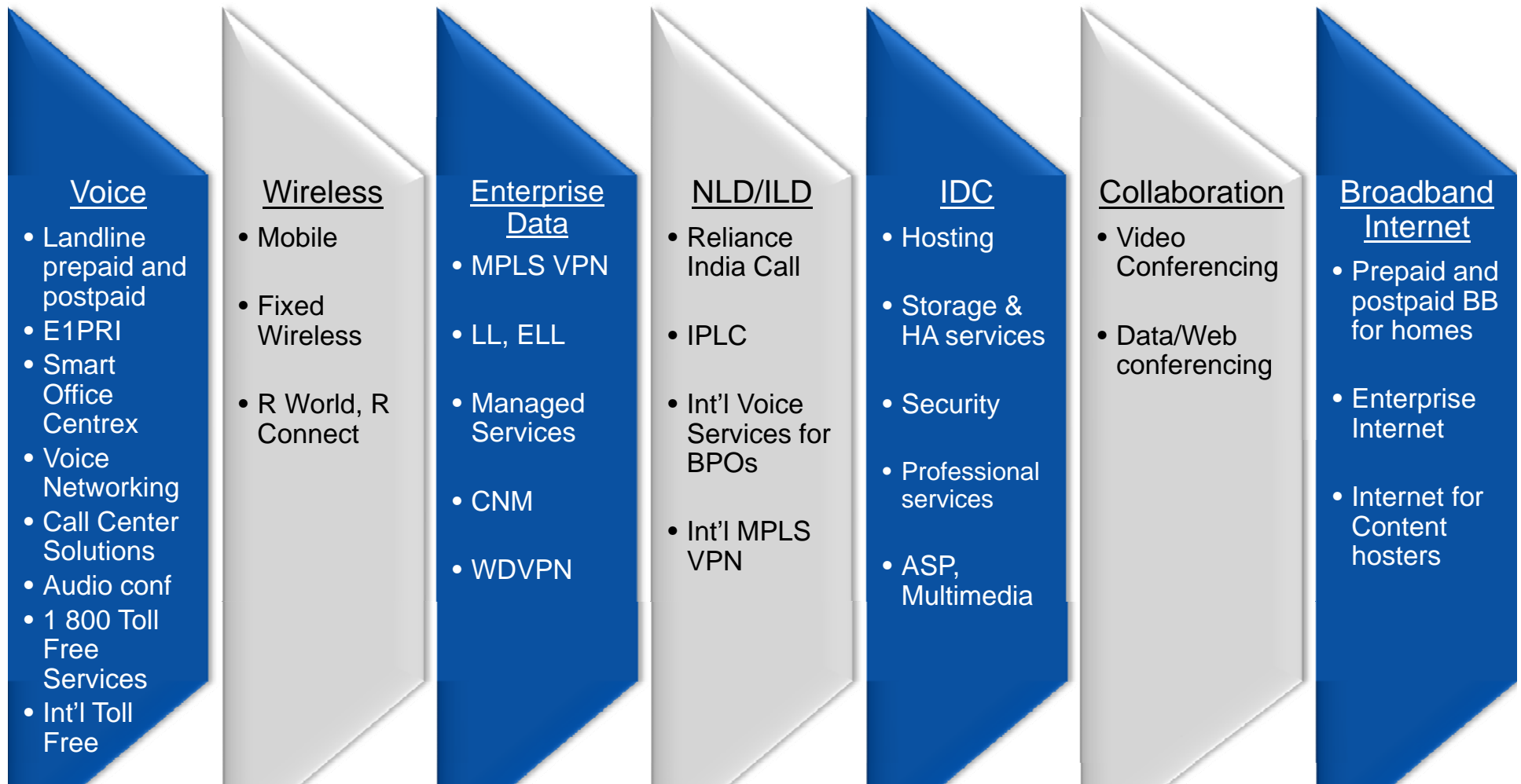
- Among Top 5 Managed Network Service providers with over 200 global corporate customers
- Among Top 6 Global Ethernet Service providers with over 1,200 customers;
- # 1 or # 2 service provider to world's top exchanges including CME, NYSE, NASDAQ.
- Serve 850 of top 1000 enterprises in India

Retail

- Over 2.5 million customers for our Reliance Global Call service in 14 countries - U.S., Canada, U.K., Australia, New Zealand, Hong Kong, Singapore, France, Spain, Belgium, Netherlands, Austria, Ireland and India

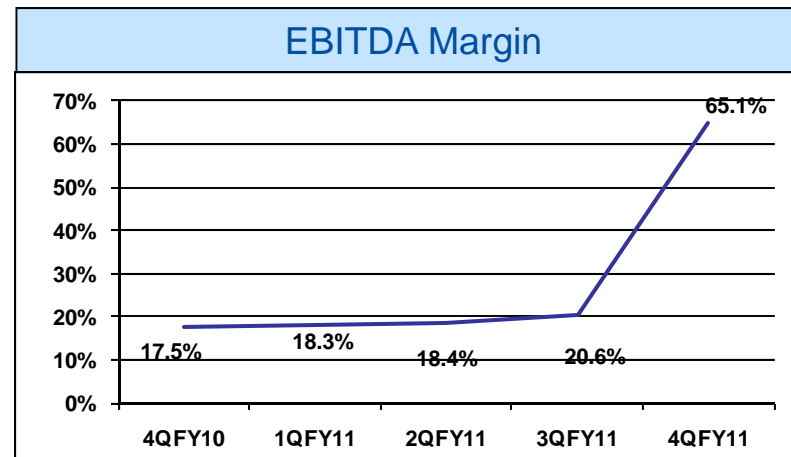
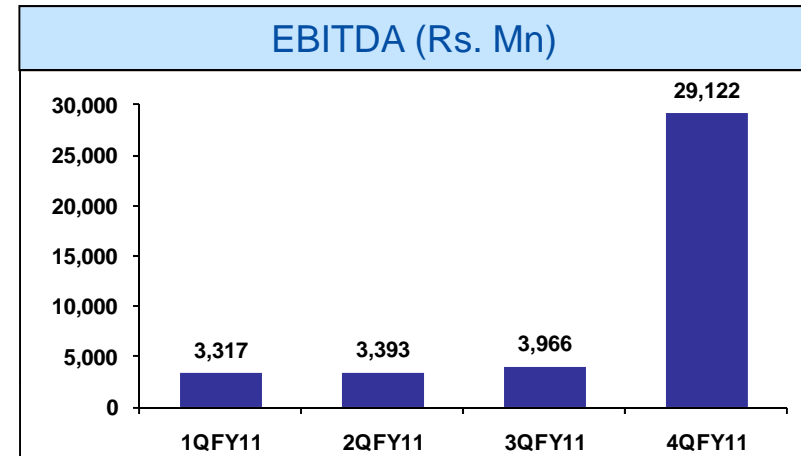
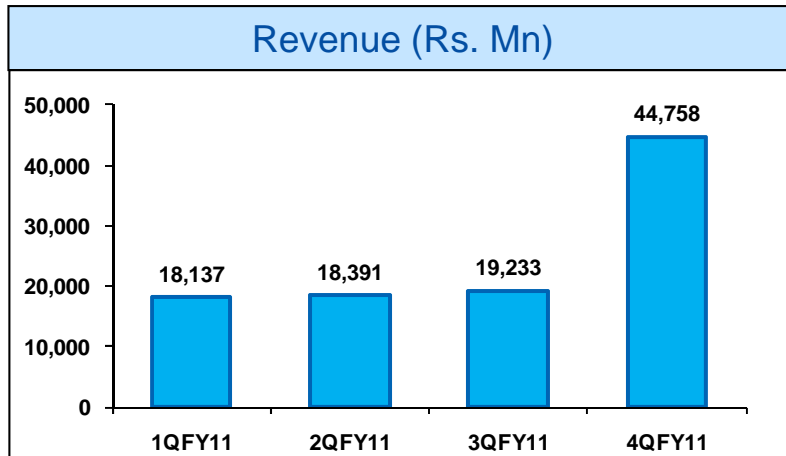
Wide customer base in Enterprise and Carrier segments

Product Landscape – Enterprise Market



One Stop Shop to Meet Enterprise Needs

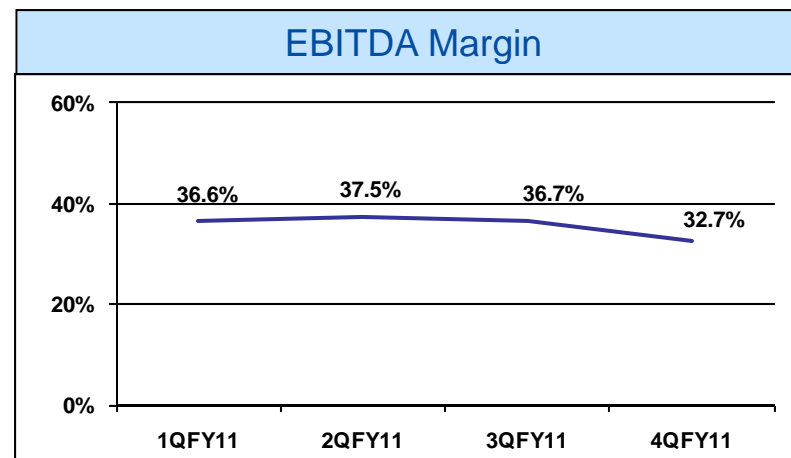
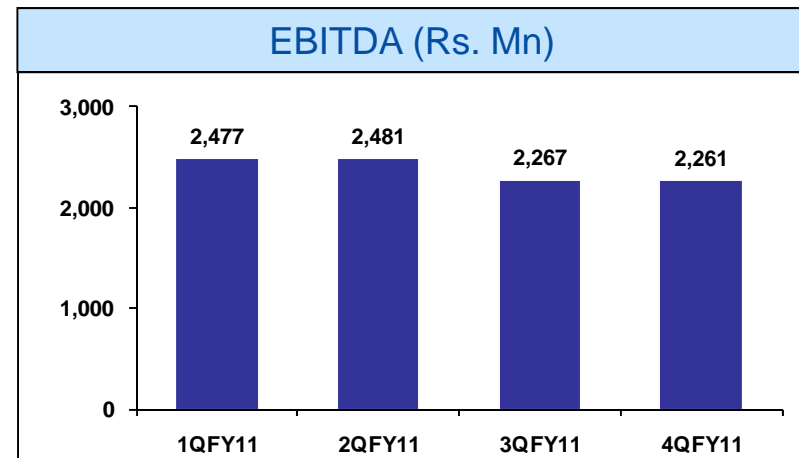
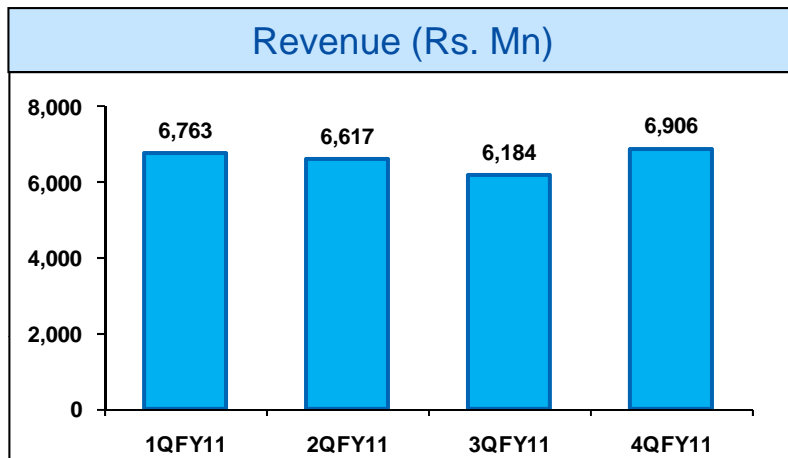
Financial Performance



Note : 4Q FY'11 Revenue and EBITDA includes IRU license income of Rs 25.45 bn. and Rs. 25.3 bn. respectively.
4Q FY'11 revenue growth excluding the one time recognition of IRU license income is 3.8% on QoQ basis.

Improved business performance with Global recovery

Financial Performance



Short term impact due to pricing pressure in the market

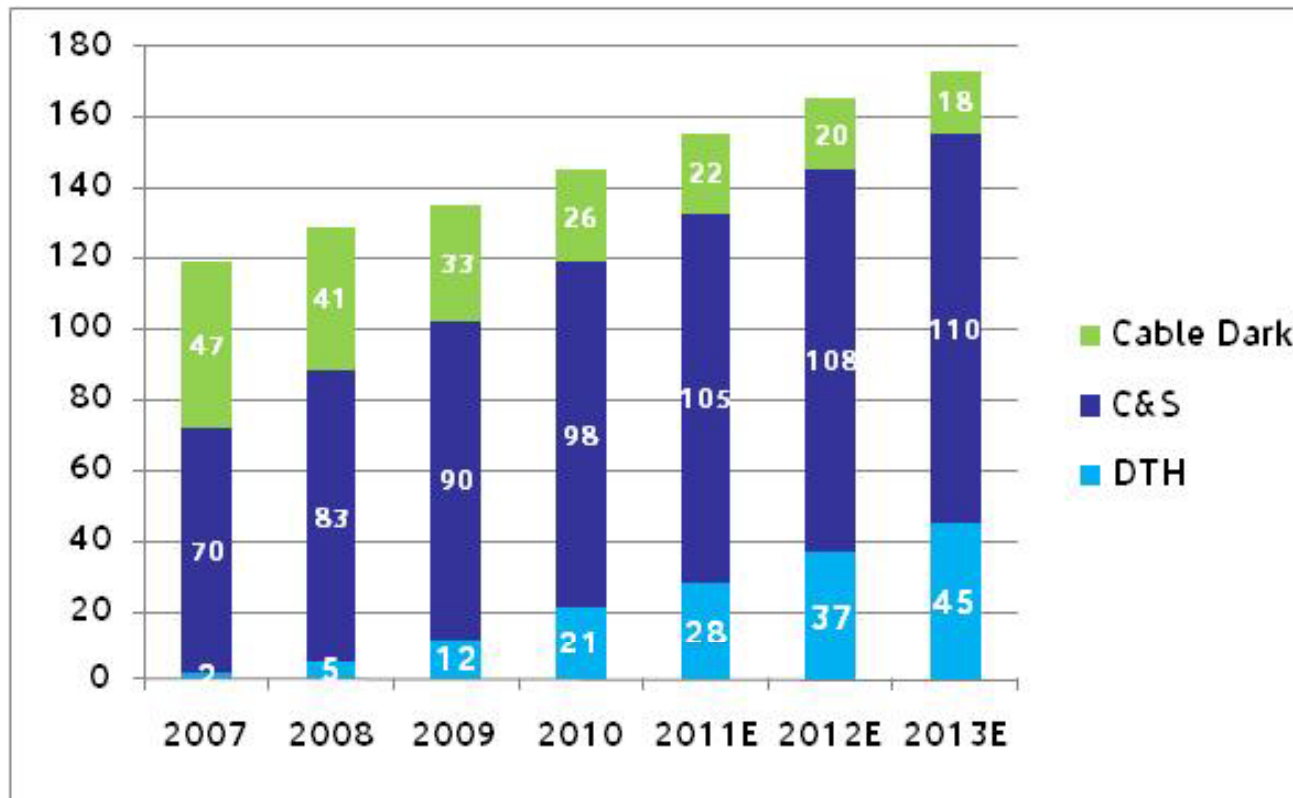
Contents

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

Home

- ❑ Key takeaways

Indian Cable & Satellite Market



Source : Industry Estimates

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Digital TV

Don't just watch TV. Experience it.
Introducing Reliance Digital TV HD.
Now make your TV truly high-definition.

HD 5x 16:9 1080i HDMI Digital

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
 - 32 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

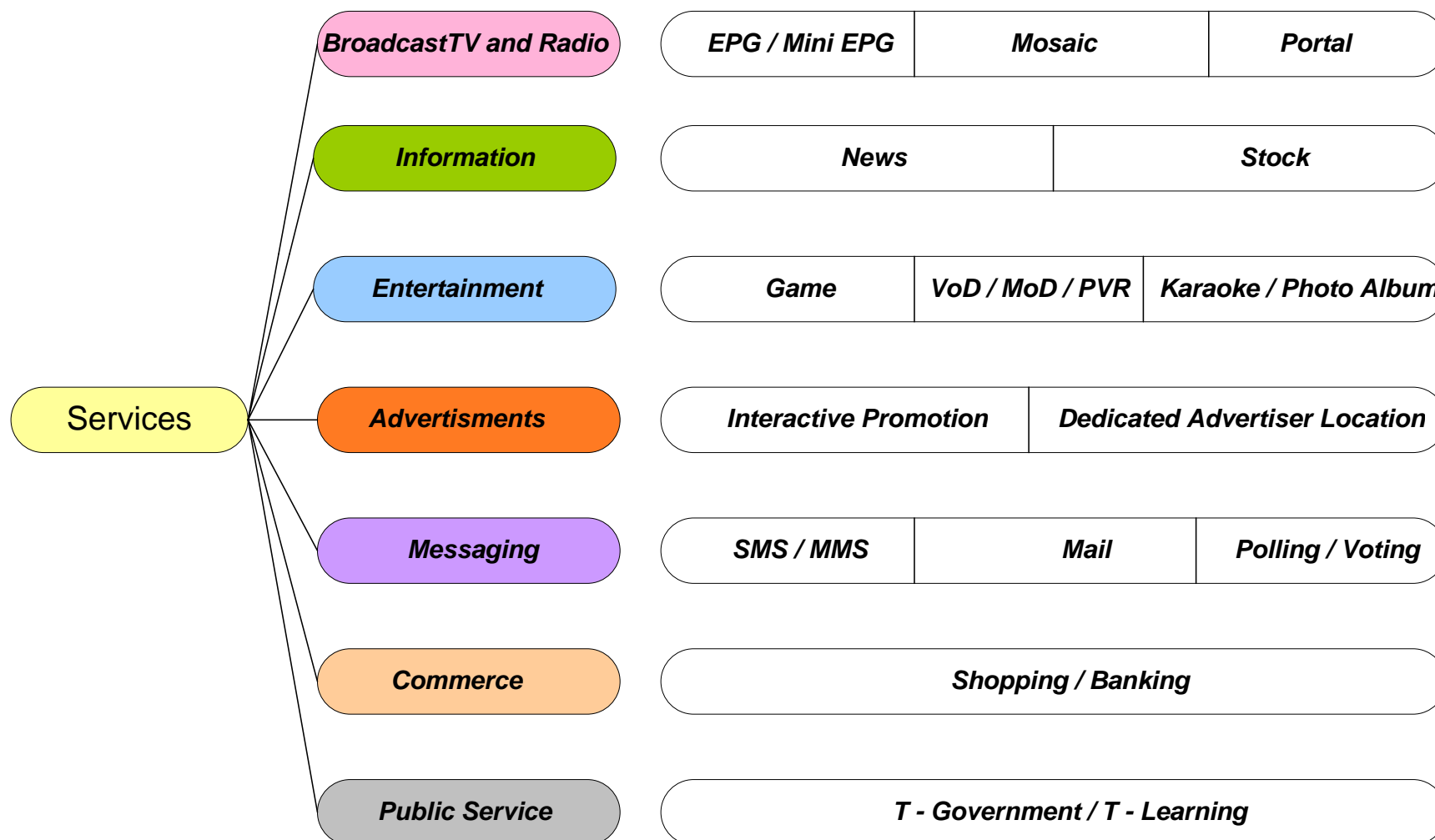
HDMI
HIGH DEFINITION
MULTIMEDIA INTERFACE

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

Technology

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



Reach and service

- ❑ 6,500 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

- ❑ Financials at inflection point as GSM and 3G momentum scales up
- ❑ RCOM not only reliant on wireless business for future growth; massive opportunity in newer segments including DTH and expansion of Enterprise/IDC
- ❑ Potential for unlocking shareholder value at subsidiary level (Infratel, Globalcom, DTH)
- ❑ Peak investment phase is over
- ❑ Acquisition of DigiCable creates leadership position in Indian Pay TV market

Impact

Increase revenue generating ability

Large pipeline of untapped business to support growth

Operational leverage improves margin & profitability

Potential of unlocking shareholders value

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

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Thank you

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