

# Reliance Communications

## Investor Presentation

*May, 2012*

RELIANCE

## Forward looking statements – Important Note

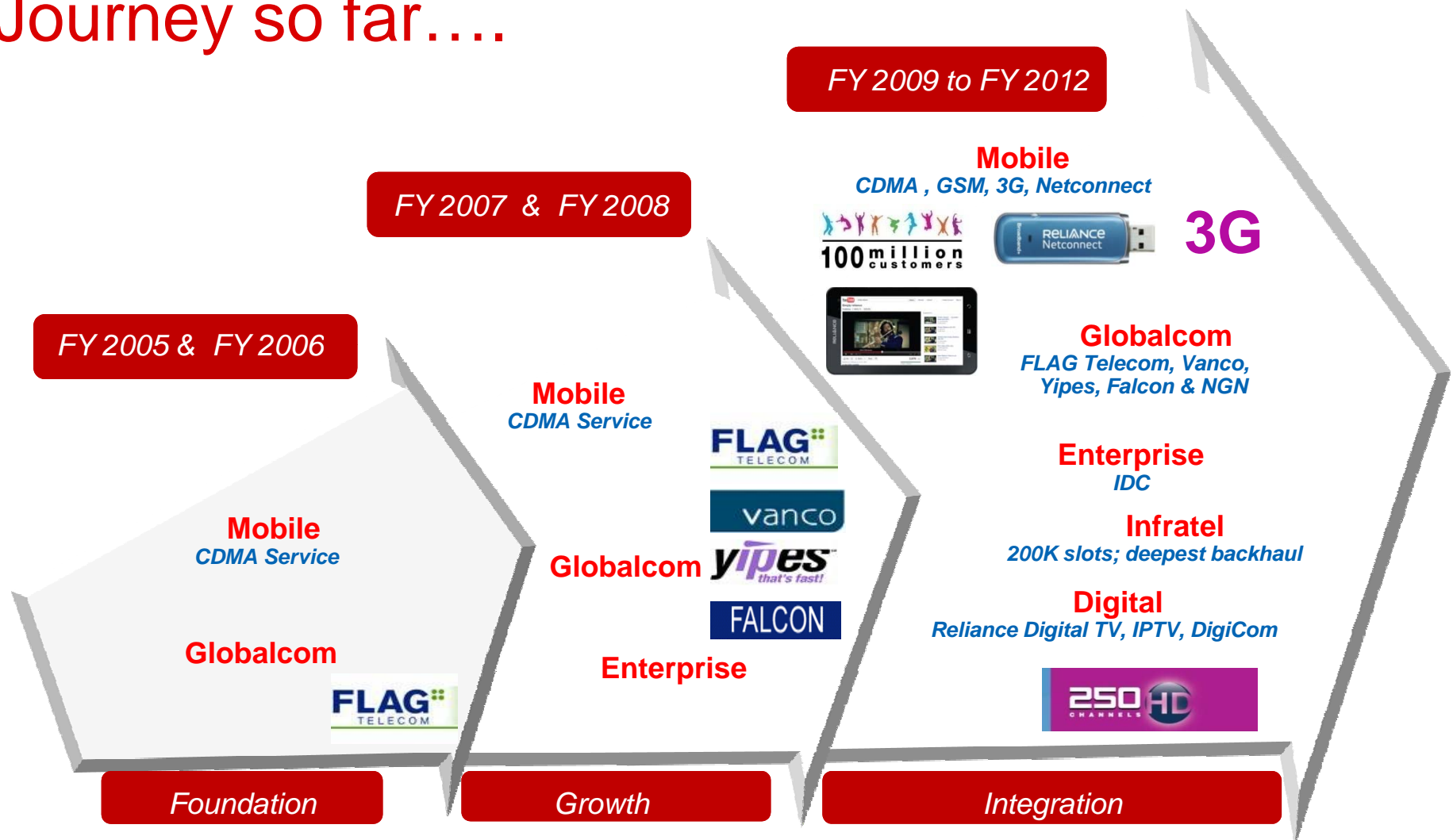
This presentation and the discussion that follows may contain “forward looking statements” by Reliance Communications Ltd (“RCOM”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects,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

- ❑ Pan India Voice and Data network
- ❑ 3G license in 13 circles (highest number of circles by single operator)
- ❑ Data leadership – Widest footprint of wireless high speed data

### Global Enterprise

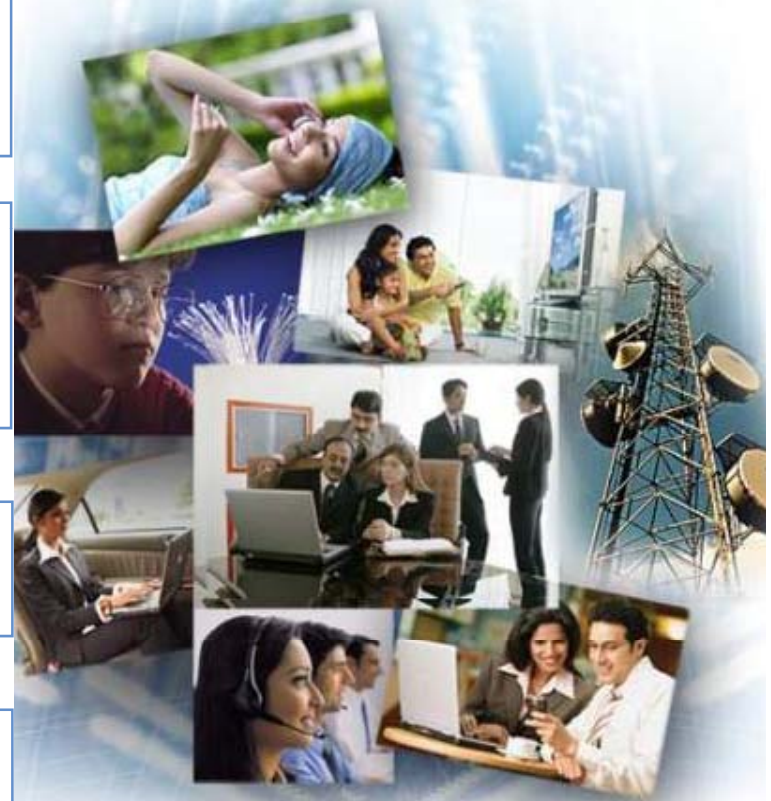
- ❑ Largest global private submarine cable network, blue-chip global clients
- ❑ One stop shop for all large corporates and SMBs for communications, networking and IT infrastructure needs
- ❑ Amongst Top 10 Data Centers in the world and # 1 in India

### 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



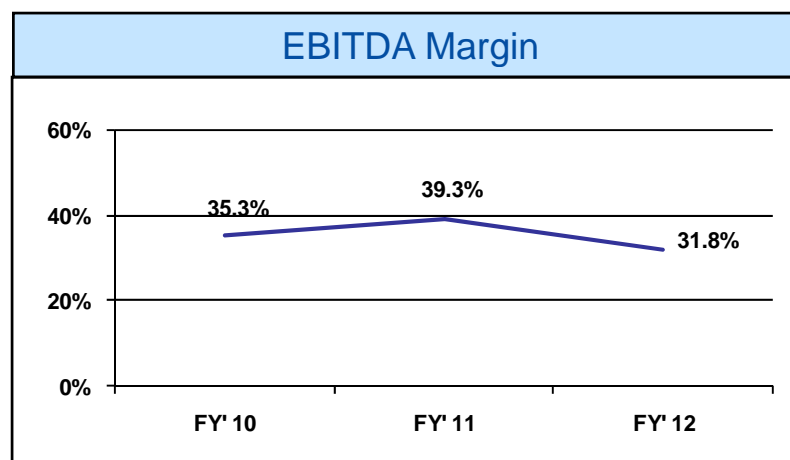
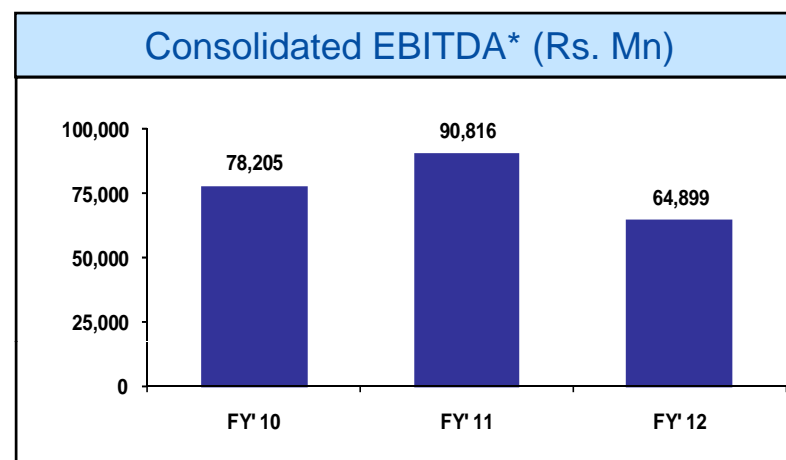
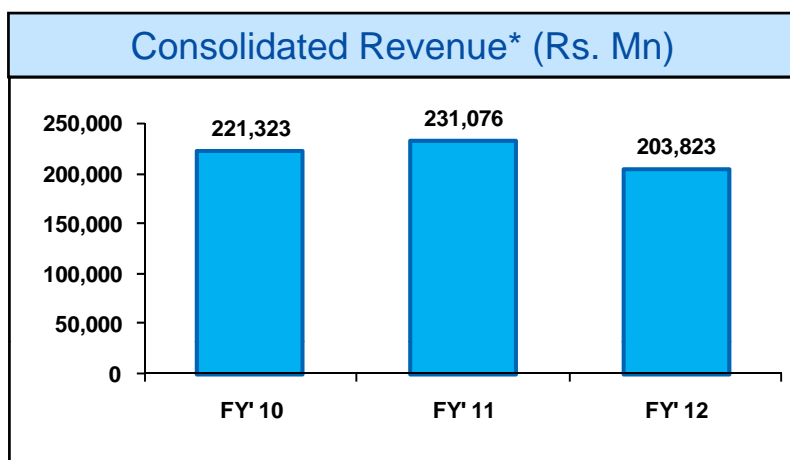
- ❑ Maximize revenues from existing assets of Towers, OFC & Ducts
- ❑ Huge potential of value unlocking for Reliance Communication shareholders

### 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



\*FY'11 revenue and EBITDA includes one time IRU License income in Global Enterprise business of Rs. 2,545 Cr. and associated EBITDA of Rs. 2,530 Cr.

**Amongst highest EBITDA margin in the industry in hyper competitive environment**

## Contents

- ❑ Reliance Communications – an integrated telco

### Wireless

- Global Enterprise
- Home

- ❑ Key takeaways

## Strengths of Wireless Business

- 1 **Widest Coverage and Product Portfolio**
- 2 **Data Leadership ( 3G, High Speed Data & 1x)**
- 3 **Youth & Innovation Centric Brand**
- 4 **Focus on Quality of Minutes**

All this with only 6 years of existence in industry, as compared to 15+ years for competition

## Strengths of Wireless Business



1

**Widest Coverage and Product Portfolio**

2

**Data Leadership ( 3G, High Speed Data & 1x)**

3

**Youth & Innovation Centric Brand**

4

**Focus on Quality of Minutes**

All this with only 6 years of existence in industry, as compared to 15+ years for competition

## Widest Coverage – Pan India presence



24,000 Towns

600,000 Villages

1 Billion Indians



Data

3G

HSD

Voice

VAS

CDMA

GSM



## Widest Product Portfolio (Enhanced Data Offering)

### Mobile Handheld

### Dongles / Tabs

Voice



CDMA



GSM

Data



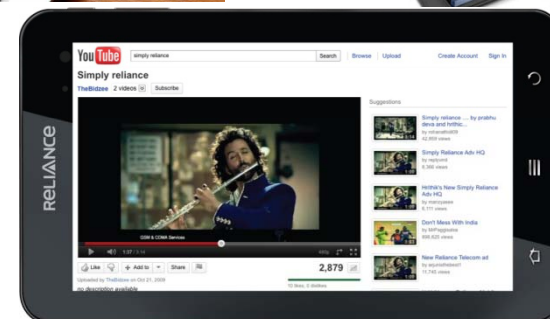
Video



3G HSPA



CDMA HSD



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

## Strengths of Wireless Business

1

**Widest Coverage and Product Portfolio**



2

**Data Leadership ( 3G, High Speed Data & 1x)**

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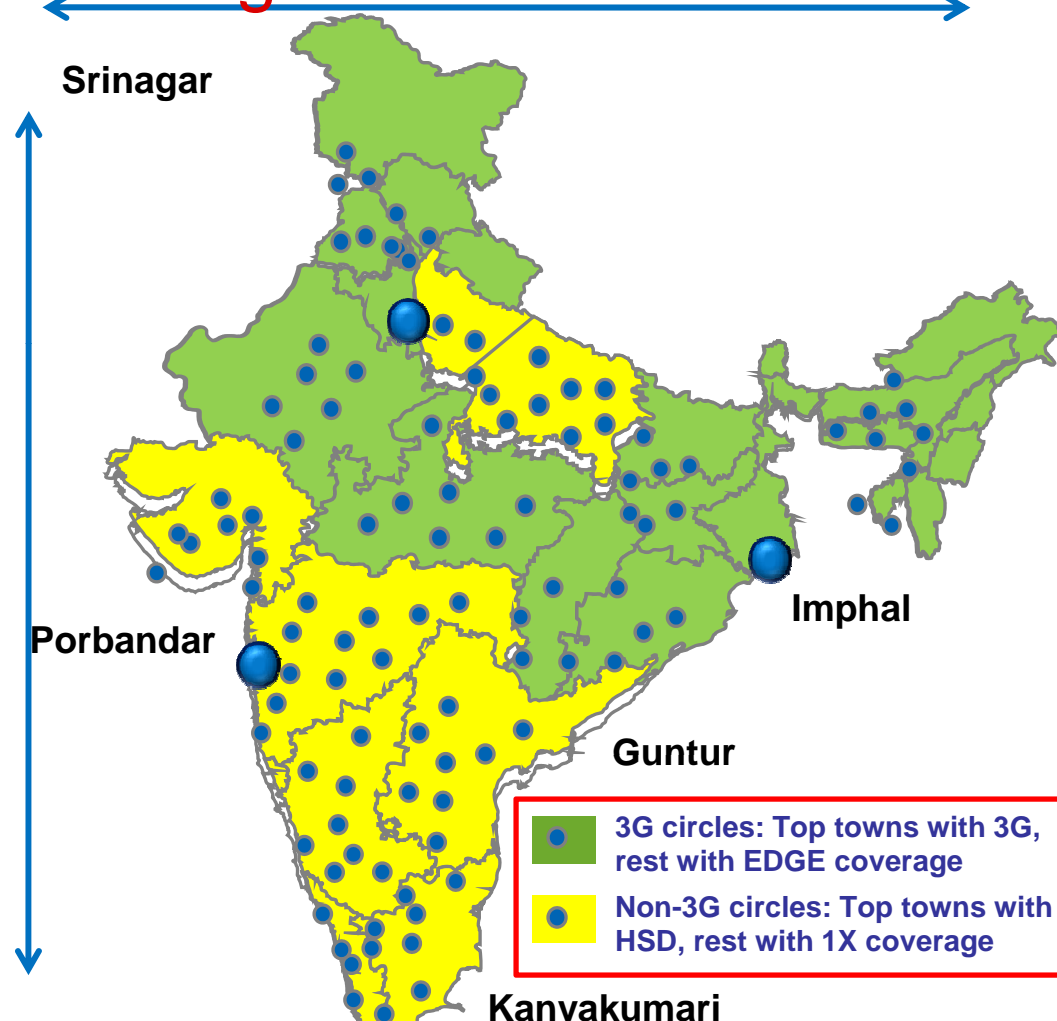
**Youth & Innovation Centric Brand**

4

**Focus on Quality of Minutes**

All this with only 6 years of existence in industry, as compared to 15+ years for competition

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



### High speed data internet (3G, HSD)

Number of 3G towns 333

Number of HSD towns ~1,000

**Total high speed internet towns ~1,300 towns**

### Mobile internet (1X , EDGE)

**Total towns with Mobile Internet 20,000 + towns**

Offering the widest footprint of High Speed Data across the length and breadth of India

## Reliance - Google Android Partnership

**Reliance + Google  
Brands Co-marketing**



**Android Community:  
Special Data Offer**



**RELIANCE + ANDROID**

**Android Experience  
Zone at Reliance Retail  
Outlets**



**Best Experience of  
Google Mobile Services**



**Exclusive Customer  
Care**



**Objective is to create innovative products, marketing and quality service levels to change the Smartphone landscape in India**

## Driving the entire Data eco-system



**Worry-free billing  
& tariffs with 'My  
Best Plan'**

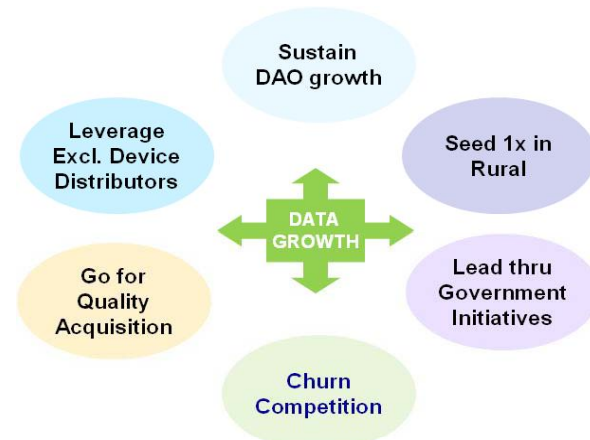


**Enabling device  
ecosystem through  
proprietary tab & partner  
handsets**

**Wirefree India**



**Signed marquee partnership with  
Google on Android to drive data  
usage on mobile devices**



**Several S&D initiatives to expand  
data distribution reach**

## Driving the entire Data eco-system

Launch of CDMA tab...

... & partnering with 3G Smartphone Leaders



Reliance HSD Network



Android OS 2.3



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



Dual camera (front and rear)



Wi-Fi & Bluetooth enabled  
Personal Wi-Fi Hotspot

### Samsung



Wave 525



Wave 3



Galaxy S+



Galaxy R



Galaxy Note



Galaxy Tab 620

### HTC



HTC Rhyme

### LG



Optimus  
Net



Optimus Net  
Dual SIM



Optimus  
Hub



Optimus  
SOL

**Tie-up with Samsung, HTC & LG for  
ten new smartphones and one tablet**

## Strengths of Wireless Business

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**Youth & Innovation Centric Brand**

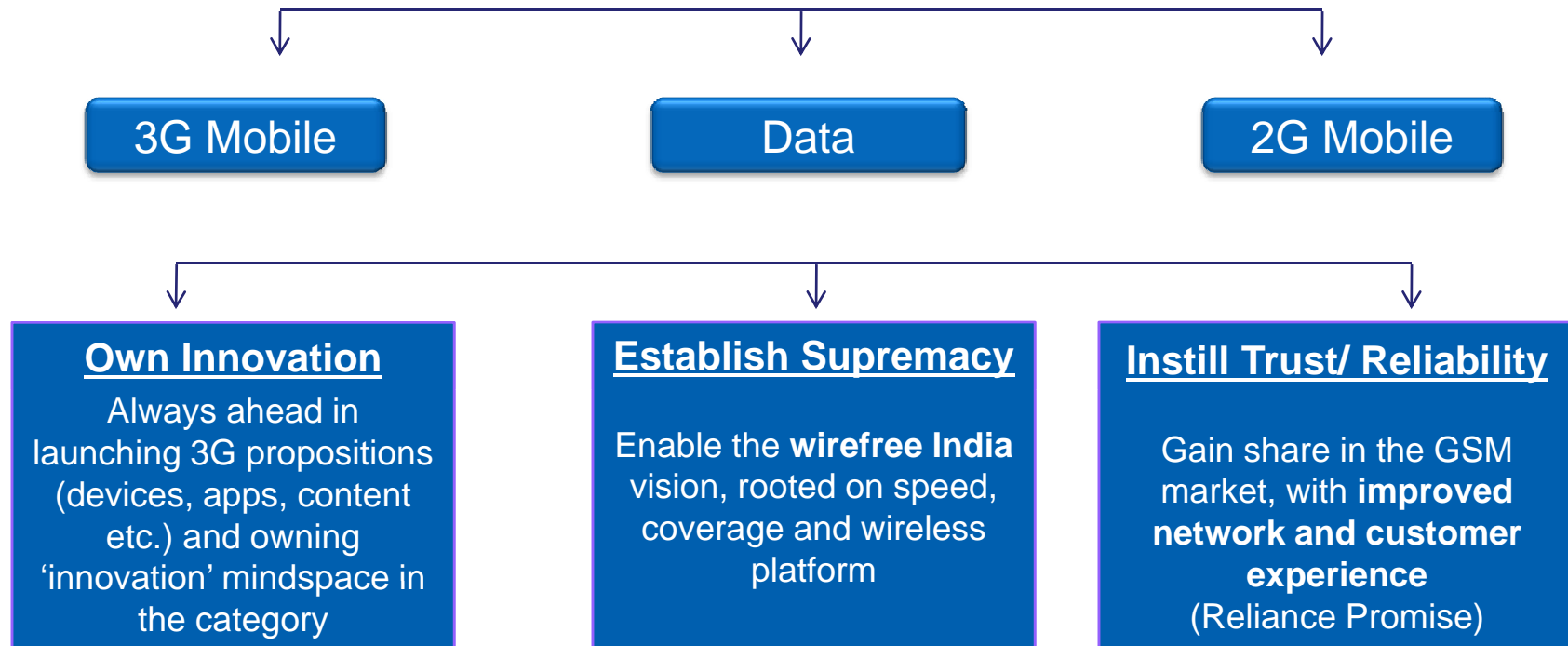
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**Focus on Quality of Minutes**

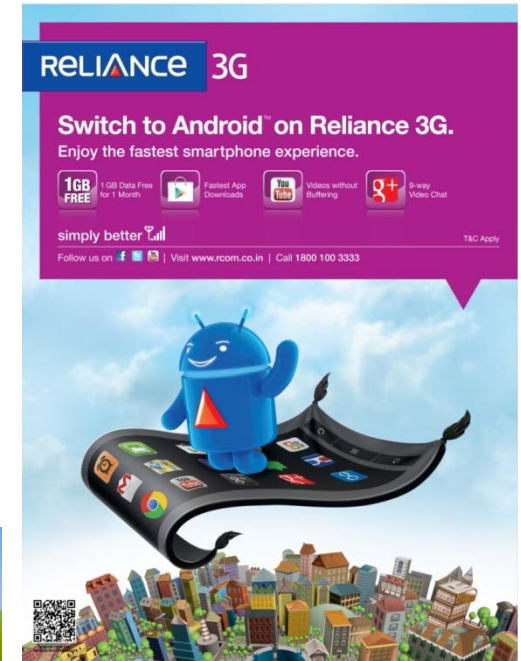
All this with only 6 years of existence in industry, as compared to 15+ years for competition

## Youth & Innovation-centric Brand

### Redefining Brand Positioning



## 3G | The 'Blue Bot' campaign



## Reliance 3G Tab



RELIANCE

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



## Strengths of Wireless Business

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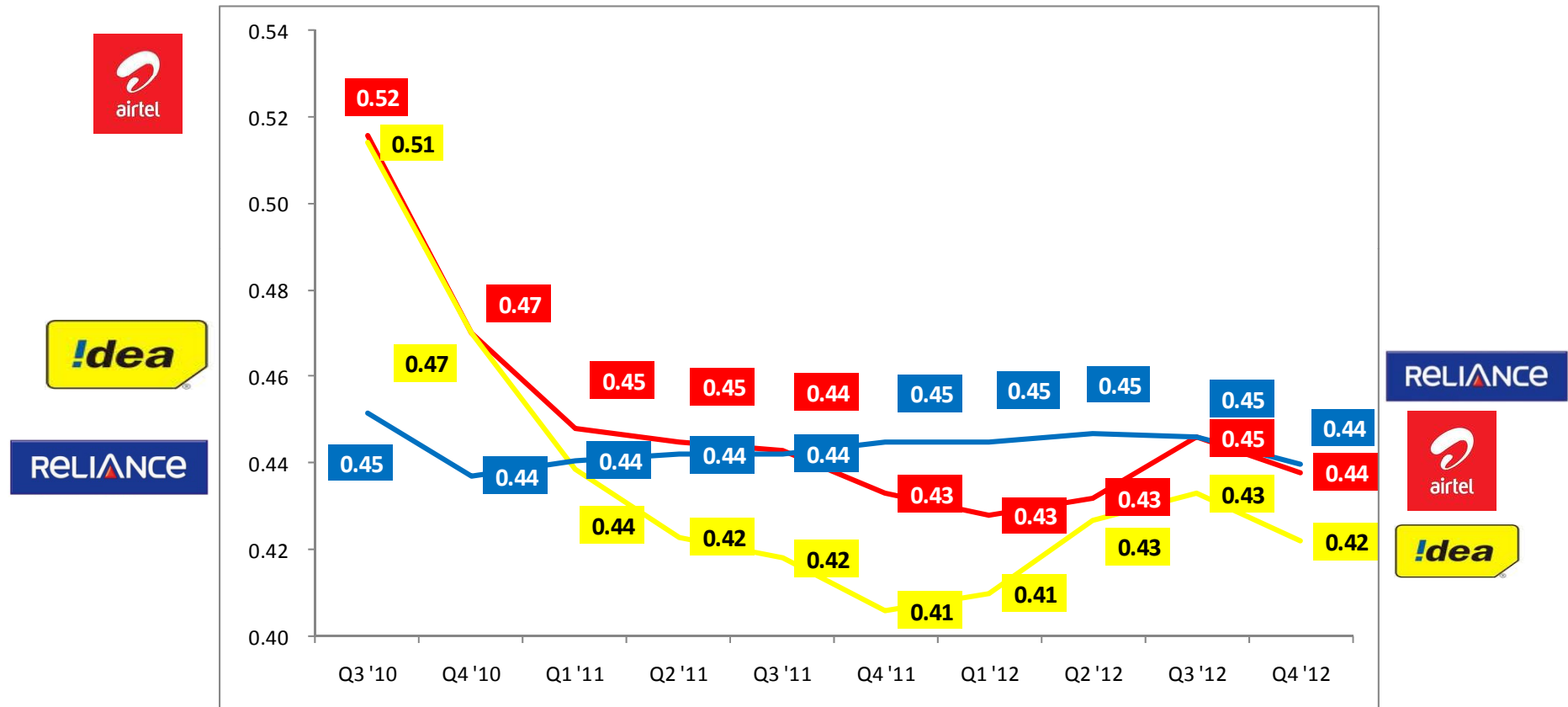


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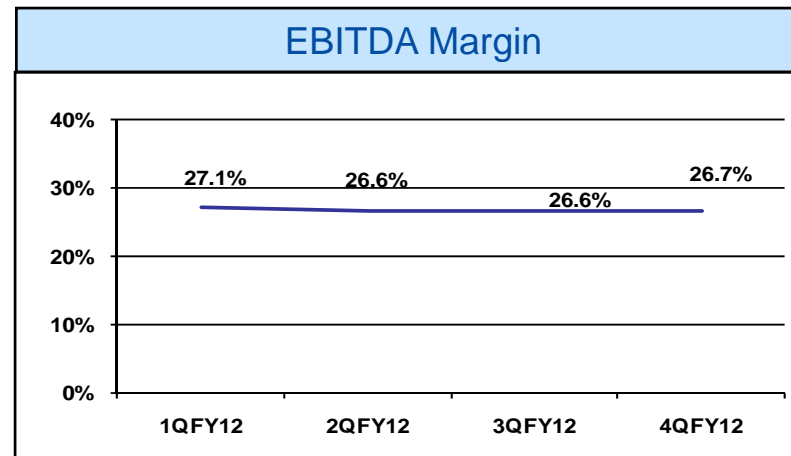
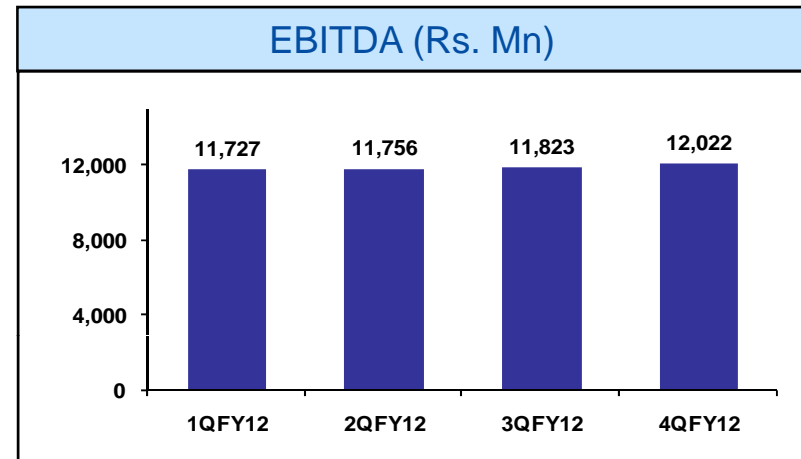
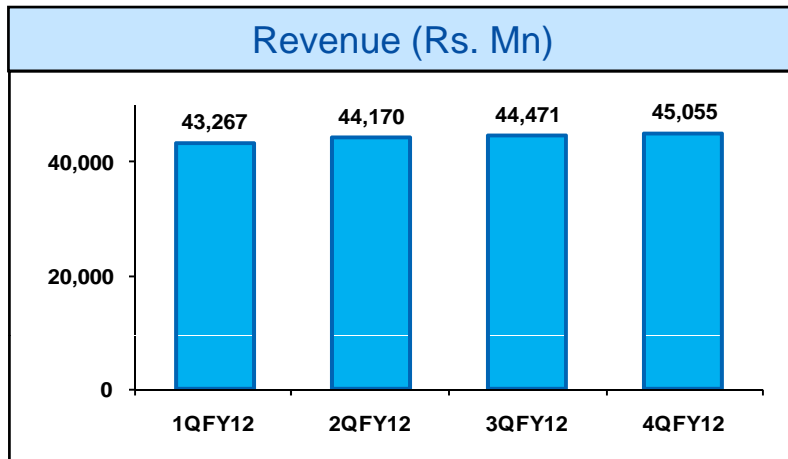
All this with only 6 years of existence in industry, as compared to 15+ years for competition

## 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



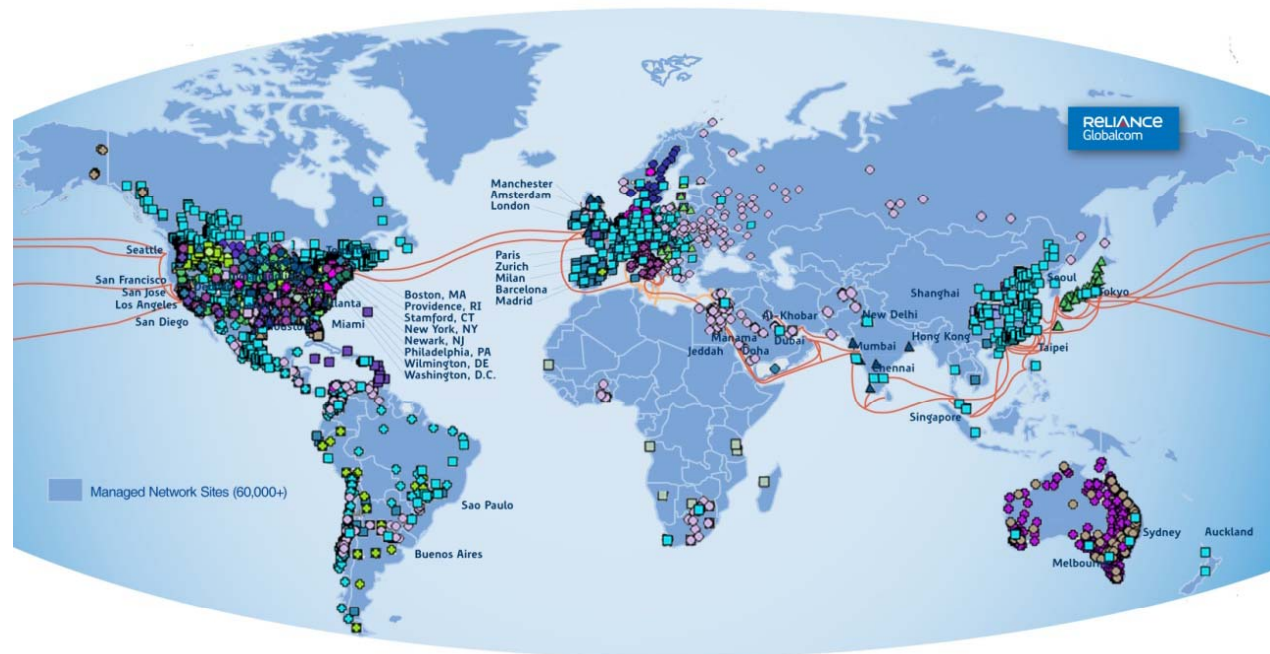
Network connecting over 85% of the world's population

## 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

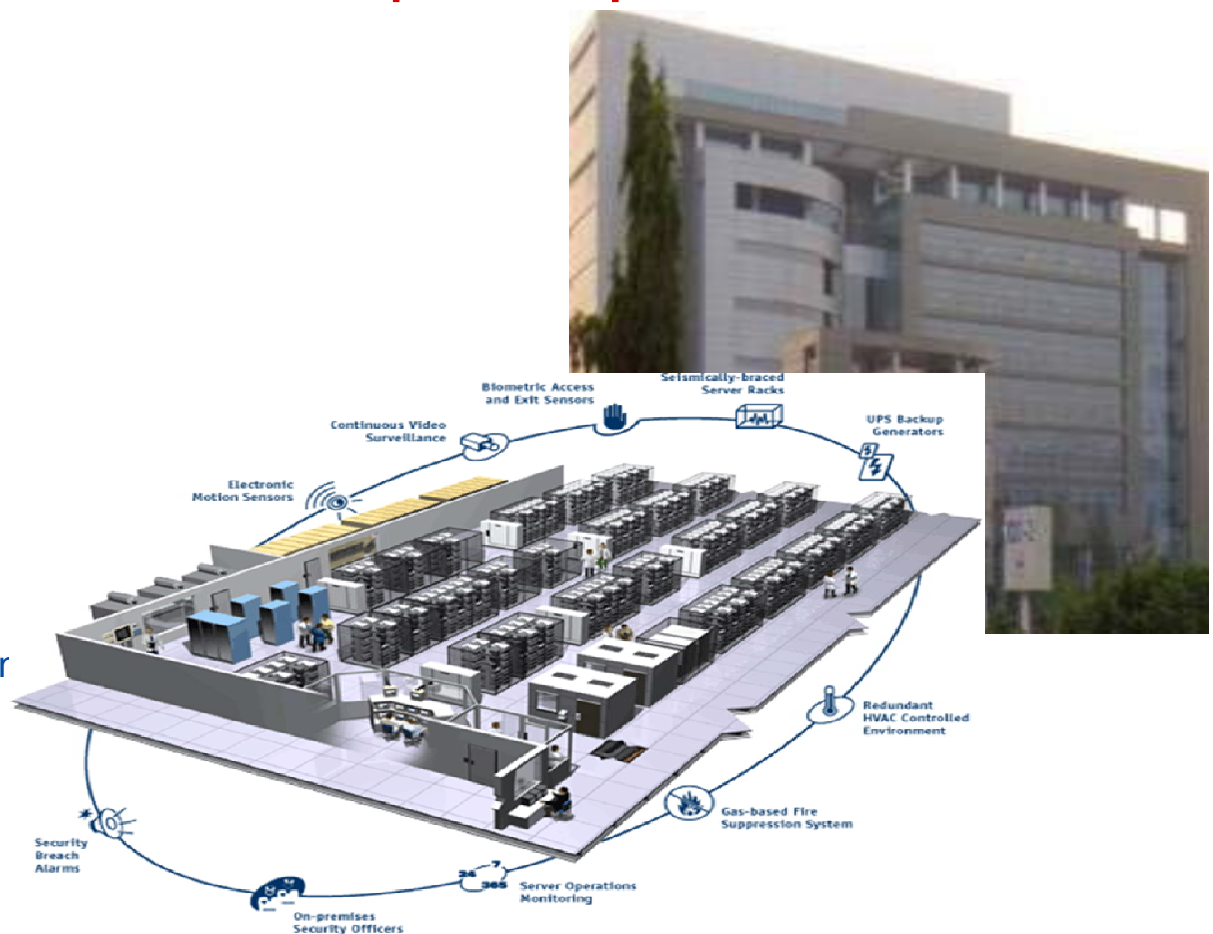
### Global Network



Unparalleled global reach and depth of network

## Enterprise business : Biggest Data center player in India with more than 550,000 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 web services. The top screenshot shows the 'RELIANCE iCall' website, which features a login section with fields for 'USERNAME' and 'PASSWORD', and a 'Recharge' button. Below the login section, there's a promotional banner for '1 cent/min PC to Phone calls to 20 countries' with a list of countries including India, USA, Canada, China, Singapore, Thailand, and others. The bottom screenshot shows the 'RELIANCE Global Call' website, which highlights 'Call over 200 countries' and 'Unmatched voice clarity'. It also features a 'Refer a friend' section, a 'Conferencing' section, and a 'New Call Rates' table showing rates for USA (2.49 Rs/min) and Australia (7.99 Rs/min).

## 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

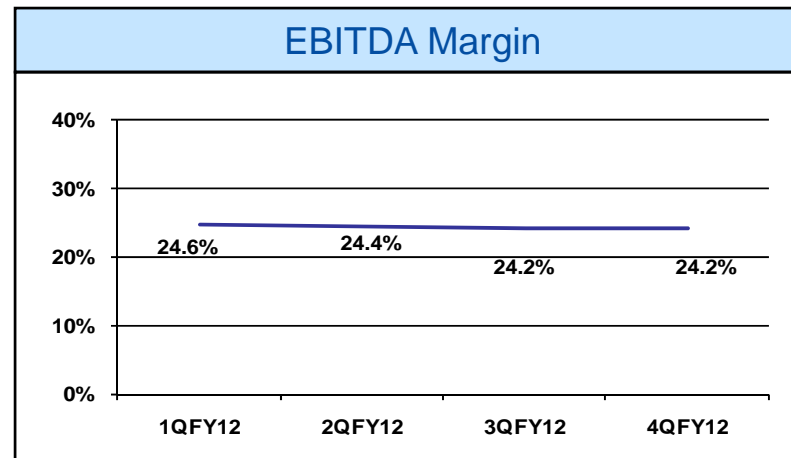
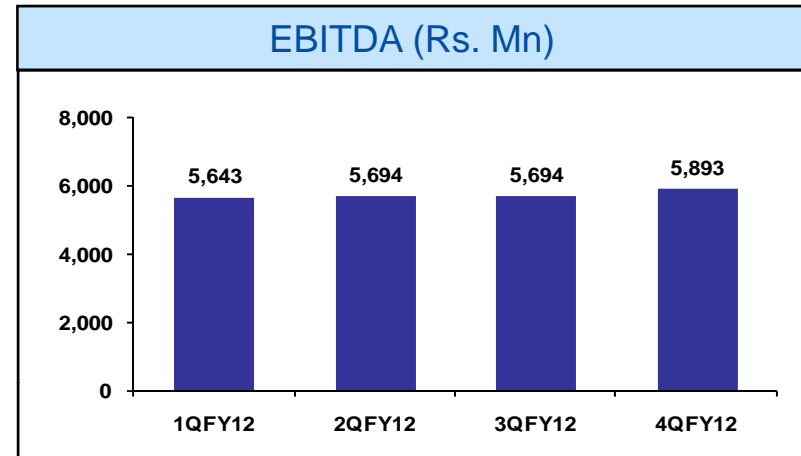
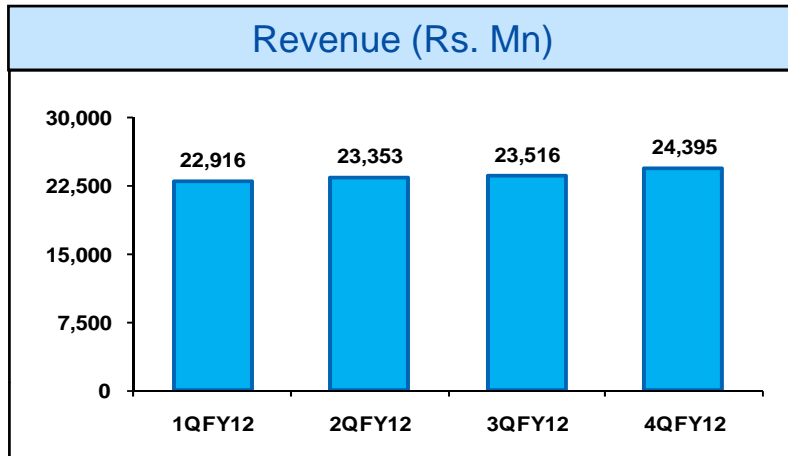


### Consumer

- 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



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

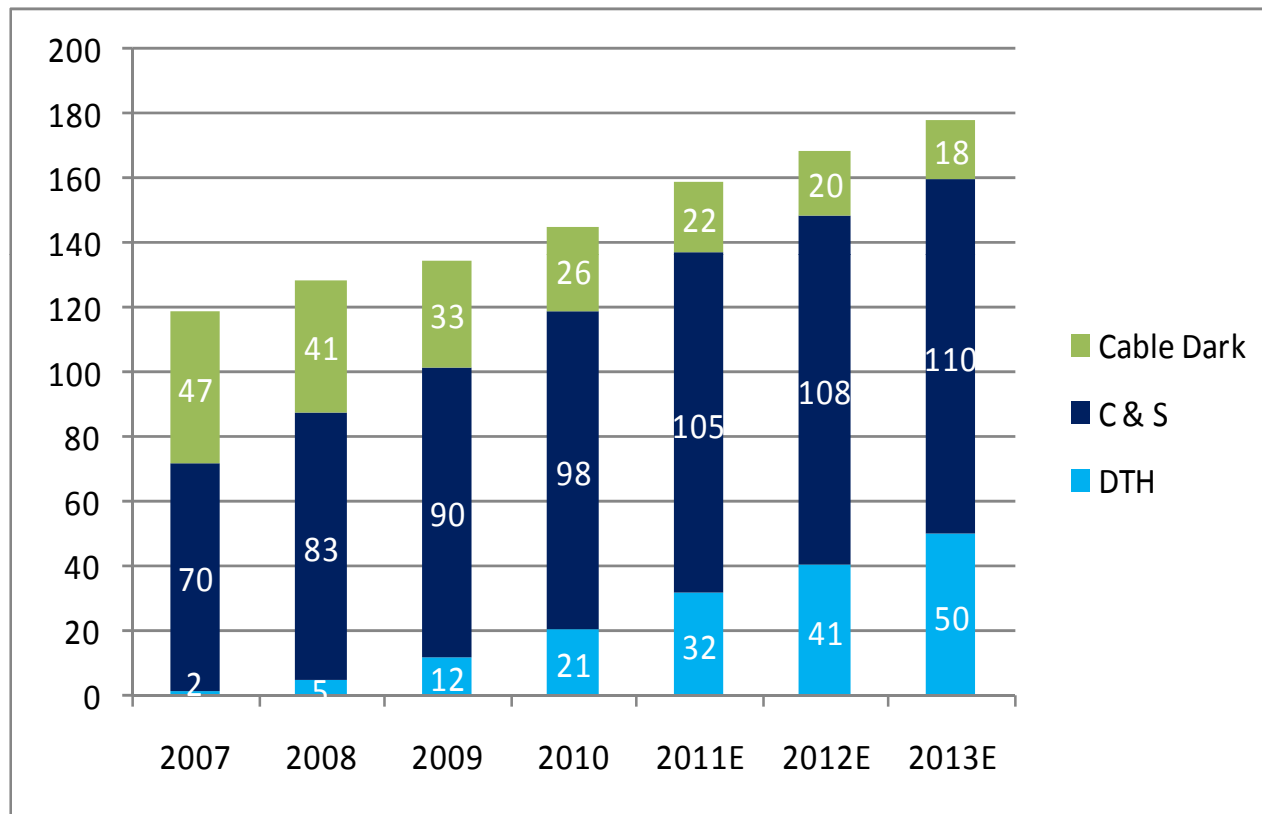
## Contents

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  - Wireless
  - Global Enterprise

Home

- ❑ Key takeaways

## Indian Cable & Satellite Market



Source : Industry Estimates

### 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**

₹2590

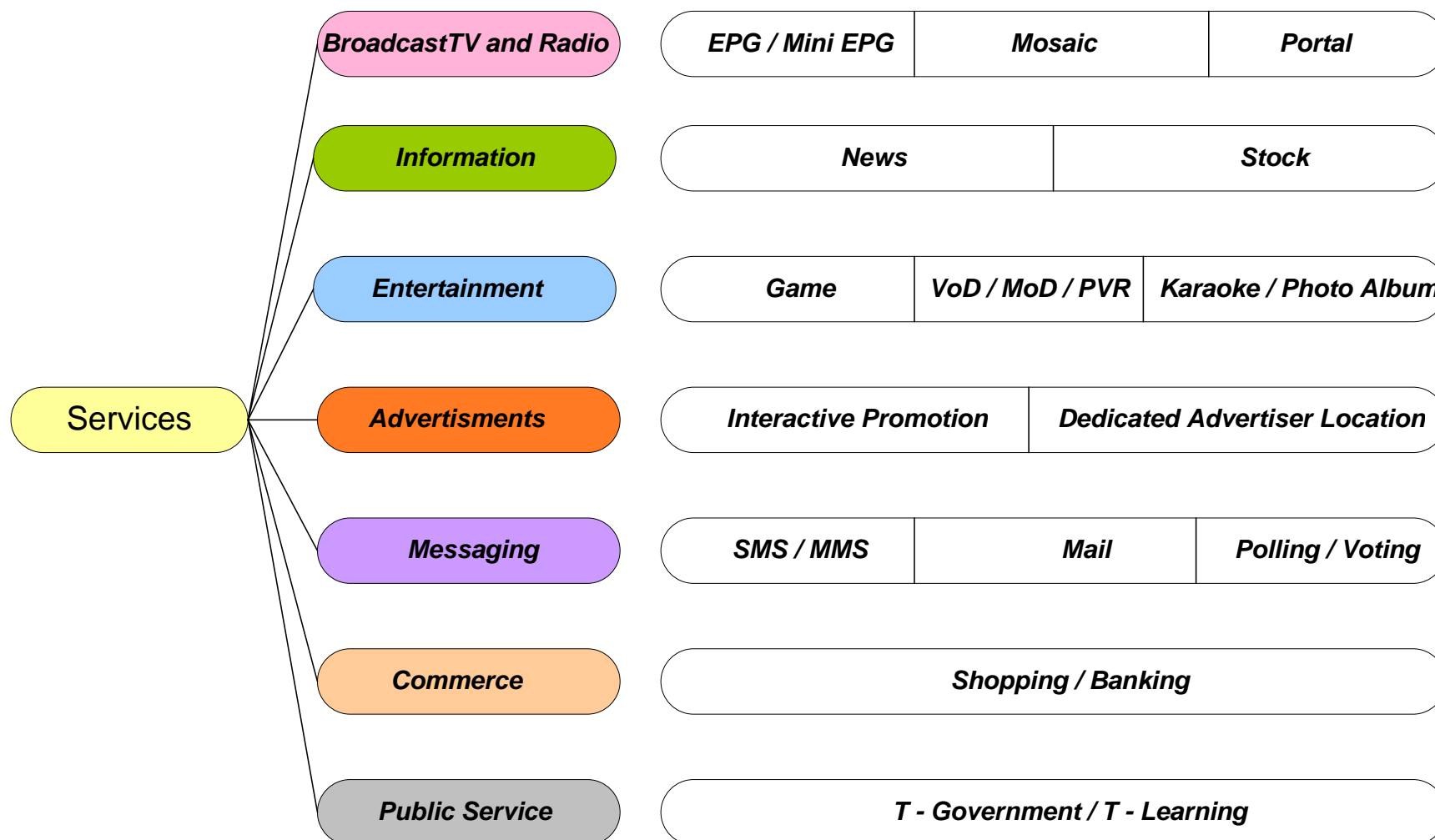
[www.reliancedigitaltv.com](http://www.reliancedigitaltv.com)

**10x** UP TO 10 TIMES SHARPER PICTURE QUALITY  
**16:9** WIDE ASPECT RATIO  
**1080p** OVER 2 MILLION PIXELS  
**HDMI** HIGH DEFINITION MULTIMEDIA INTERFACE  
**DIGITAL** DIGITAL SOUND

Standee 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

- ❑ 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

**Increase revenue generating ability**

**Operational leverage improves margin & profitability**

**Potential of unlocking shareholders value**

Stable business performance with significant free cash flow generation to place RCOM in a much stronger financial position

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Thank you

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