

Q4 PAT AT RS. 332 CRORE, UP 78% FROM Q3

Q4 REVENUE AT RS. 5,310 CRORE, UP 5% FROM Q3

**Q4 EBITDA AT RS. 1,632 CRORE WITH MARGIN AT 30.7%
AMONGST THE HIGHEST IN THE INDUSTRY**

**Q4 WIRELESS REVENUES UP 4.3% FROM Q3
(ON COMPARABLE BASIS)**

**Q4 WIRELESS EBITDA UP 13% FROM Q3
(ON COMPARABLE BASIS)**

Q4 WIRELESS MINUTES AT 103 BILLION UP 3.1% FROM Q3

**Q4 REVENUE PER MINUTE AT 43.6 PAISA, AMONGST THE HIGHEST IN THE
INDUSTRY FOR THE LAST EIGHT CONSECUTIVE QUARTERS**

**Q4 GLOBAL ENTERPRISE BUSINESS UNIT REVENUES AT RS. 2,440 CRORE,
UP 3.7% FROM Q3**

Q4 GEBU EBITDA AT RS. 589 CRORE, UP 3.5% FROM Q3

**OVER 20 MILLION DATA CUSTOMERS AND 3.2 MILLION 3G ACTIVE
CUSTOMERS WHICH IS HIGHEST IN THE INDUSTRY**

**GEBU EBITDA REPRESENTS 36% OF CONSOLIDATED EBITDA,
MAINTAINING STEADY PERFORMANCE**

**BOARD APPROVES DIVIDEND OF 5%, PAYOUT OF RS. 60 CRORE, THE ONLY
TELECOM COMPANY IN INDIA TO DECLARE DIVIDEND FOR SIX
CONSECUTIVE YEARS**

Mumbai, May 26, 2012: Reliance Communications Limited (RCOM) today announced its consolidated financial results for the quarter ended March 31, 2012.

Highlights of the financial performance for the quarter are:

- **Revenue at Rs. 5,310 crore**, up 5% from Rs. 5,055 in Q3.
- **EBITDA at Rs. 1,632 crore**, up 1% from Rs. 1,614 crore in Q3. EBITDA margin at 30.7%, amongst the highest in the industry, with strong contribution from both Wireless and GEBU businesses.
- **Net Profit at Rs. 332 crore**, up 78% from Rs. 186 crore in Q3.

KEY HIGHLIGHTS:

1. **Consolidated Revenue & EBITDA:** RCOM Q4 total revenues at Rs. 5,310 crore, up 5% from Rs. 5,055 crore in Q3. Q4 EBITDA at Rs. 1,632 crore, with EBITDA margin of 30.7% amongst the highest in the industry. Clear focus on profitable businesses, now delivering consistent EBITDA margins in the industry.
2. **Wireless Revenue & EBITDA:** Q4 wireless revenue up 4.3% from Q3 on comparable basis. Q4 wireless EBITDA up 13% from Q3 on comparable basis. RCOM is focused on profitable growth through innovative product portfolio, superior network experience and customer centric approach.
3. **RPM:** RPM stood at healthy 43.6 paisa. We have successfully achieved RPM stability for the last 8 consecutive quarters amidst increasing competition and over supply of minutes in market place. Our total RPM drop over last 8 quarters has been 1% vs. significantly higher drop in the industry.
4. **Global Enterprise (GEBU) Revenue & EBITDA:** Q4 Revenues at Rs. 2,440 crore, up by 3.7% from Rs. 2,352 crore in Q3. Q4 EBITDA at Rs. 589 crore, up by 3.5% from Rs. 569 crore in Q3. Q4 EBITDA margin stands at 24.2%.
5. RCOM continues to be free cash flow positive. RCOM generated operational cash flow (EBITDA) of Rs. 1,632 crore in Q4. Post payment of 3G auction fees and with peak capex behind us, this is the first full year of positive free cash flow (FCF) for the company and this trend will continue in succeeding years.
6. **RCOM has tied up with Android:** RCOM announced its plans to exclusively market Android devices in India over its superior network for the next 2 years. Through this strategic collaboration with Google, RCOM will market the Android mobile operating system and Google Mobile Services in order to promote the usage of Android devices in the country. In line with other such collaborations in mature markets like USA, Japan and Australia, Google has associated with RCOM to leverage the pan India high quality Reliance network, especially the superior Reliance 3G network along with the fastest growing Android mobile platform to deliver leading-edge mobile applications, services and devices.
7. **RCOM launched India's first GSM and CDMA Tablet:** RCOM became the first GSM and CDMA operator in India to enter the Tablet space by unveiling its 'Reliance 3G Tab' and 'Reliance CDMA Tab', a fully loaded Android tablet. With this launch, Reliance not only emerges as the first telecom operator in India to offer Tablets on both the 3G and CDMA networks but it further strengthens its leadership position.

Both the tablets are stylish and comes with a 7-inch capacitive touch screen with Android 2.3 OS. Loaded with 512 MB RAM and a micro SD external storage, it is sure to appeal a large segment of value conscious Indian consumers.

The light weight (under 400g) Reliance Tab comes with a 2.0 MP rear camera and a front camera, among other key features, catering to both business users as well as the youth segment.

The Reliance CDMA Tab is supported by Reliance's CDMA network across 22 circles in over 1000 towns in the country. The devices are priced attractively at Rs. 12,999 and are further bundled with attractive monthly and annual data plans.

8. **RCOM paid redemption amount of US\$ 1,182 Mn to redeem outstanding FCCBs:** RCOM refinanced its outstanding FCCB's by entering into an agreement with Industrial and Commercial Bank of China Ltd. (ICBC), China Development Bank Corporation (CDB) and

Export Import Bank of China (EXIM) for redemption of its outstanding FCCBs (Foreign Currency Convertible Bonds). The outstanding FCCBs of US\$ 1,182 million (approximately Rs. 5,825 crore) were redeemed on the due date of March 1, 2012.

RCOM will benefit from extended Loan Maturity of 7 years and attractive interest cost of about 5%. This is the largest refinancing in the history of FCCBs by any Indian Corporate.

9. TRAI Quality of Service Report: As per TRAI QoS report published in April, 2012; RCOM has met TRAI's QoS criteria in ALL the 22 circles. TRAI has rated RCOM's network as No.1 in 18 out of 22 circles for 'Lowest Call Drop Rate' across operators and also rated amongst Top 3 in 18 out of 22 circles for 'Best Call Set-up Success Rate'.

10. Recent Rewards & Recognition:

- May 2012 - Reliance was awarded TM Forum Global Excellence Award 2012 – 'Business Innovation, in Dublin - Ireland this year. This award was conferred for 3G Video on demand innovative platform - demonstrating the most innovative and successful new service or business model.
- April 2012 - Top Green IT Enterprise Award 2012 instituted by IDG Media in recognition of our contribution towards green and clean environment.
- March 2012 - CIO Grand Masters – 'Virtualization' award for operational agility, resources flexibility through eco-friendly initiatives to deliver responsive, reliable & continued service.

11. RCOM has announced that it is evaluating a potential initial public offering and listing in Singapore of its subsea telecommunications infrastructure network business, through a Singapore business trust.

This announcement is not an offer of securities for sale in the United States or elsewhere where such offer or sale would be unlawful. This announcement is not for distribution in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States, and may not be offered or sold in the United States unless registered under the Securities Act and applicable state securities laws of the United States or pursuant to an exemption from such registration. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. Nothing in this announcement shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

About Reliance Communications

Reliance Communications Limited founded by the late Shri Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Group. The Reliance Group currently has a net worth in excess of Rs. 89,000 crore (US\$ 19.7 billion), cash flows of Rs. 10,900 crore (US\$ 2.3 billion), net profit of Rs. 3,600 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 161 million including over 2.5 million individual overseas retail customers, ranks among the Top 4 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes over 35,000 Indian and multinational corporations including small and medium enterprises and over 800 global, regional and domestic carriers.

Reliance Communications has established a pan-India, next generation, integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting best-of-class services spanning the entire communications value chain, covering over 24,000 towns and 600,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 277,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

Financial Results summary

(Rs. Crore)

Particulars	<u>Trailing Quarter 3 months ended 31/12/11</u>	<u>Current Quarter 3 months ended 31/3/12</u>	<u>Increase / (Decrease)</u>
Turnover			
Wireless	4,447	4,506	1.3%
Global Enterprise	2,352	2,440	3.7%
Diversified	232	270	16.3%
Total (post eliminations)	5,055	5,310	5.0%
EBITDA			
Wireless	1,182	1,202	1.7%
GEBU	569	589	3.5%
Diversified	-135	-156	-15.8%
Total (post eliminations)	1,614	1,632	1.1%
EBITDA margin	31.9%	30.7%	
Depreciation	978	970	-0.8%
Financial Charges (net)	381	579	52.0%
Exceptional items	-	(1)	-
PBT	255	84	-67.1%
Tax	14	-119	-950.0%
PAT (before minority interest / associates)	241	203	-15.8%
Share of minority interest / associates	55	-129	-334.5%
PAT (after minority interest / associates)	186	332	78.1%