



Media Release

**RELIANCE COMMUNICATIONS (RCOM) AND MAXIS COMMUNICATIONS BERHAD (MCB)
ANNOUNCE LARGEST EVER CONSOLIDATION IN INDIAN TELECOM SECTOR**

**WIRELESS BUSINESS OF RCOM TO BE COMBINED WITH AIRCEL LTD.
THROUGH COURT APPROVED PROCESS OF DEMERGER**

**RCOM AND MCB TO HOLD 50% EACH IN 'MERGEDCO'
WITH EQUAL REPRESENTATION ON BOARD AND COMMITTEES**

**TRANSACTION WILL REDUCE RCOM DEBT BY RS 20,000 CRORE (USD 3 BN) OR OVER
40% OF TOTAL DEBT, AND AIRCEL DEBT BY RS 4,000 CRORE (USD 600 MN)
ON CLOSING IN 2017**

**MCB REAFFIRMS ITS COMMITMENT TO INDIA AFTER HAVING ALREADY INVESTED
OVER RS 35,000 CRORE (USD 5.2 BN) IN AIRCEL LTD.**

**2ND LARGEST SPECTRUM PORTFOLIO AMONGST ALL OPERATORS IN INDIA
ACROSS THE 850, 900, 1800 AND 2100 MHZ BANDS,
WITH 2G, 3G & 4G OPERATIONS ACROSS THE COUNTRY**

**COMBINED ENTITY TO ENJOY ENHANCED BUSINESS CONTINUITY
THROUGH EXTENDED VALIDITY OF SPECTRUM TILL 2033-2035**

**MERGEDCO TO CLEARLY RANK AMONGST TOP 4 OPERATORS IN INDIA
ON CUSTOMER BASE AND REVENUES**

**MERGEDCO TO RANK AMONGST TOP 3 OPERATORS BY REVENUES
IN 12 IMPORTANT CIRCLES**

NPV OF CAPEX AND OPEX SYNERGIES ESTIMATED AT ~ RS 20,000 CRORE (USD 3 BN)

**MERGEDCO TO RANK AMONG TOP CORPORATES IN INDIA
WITH ASSETS OF RS 65,000 CRORE (USD 9.7 BN)
AND NET WORTH OF RS 35,000 CRORE (USD 5.2 BN)**

Mumbai, 14 September 2016: Reliance Communications Ltd. ("RCOM"), India's leading fully-integrated nationwide telecommunications service provider, and Maxis Communications Berhad ("MCB"), promoters of Aircel Limited ("Aircel"), a leading pan-India mobile operator, today announced the signing of definitive documents for the merger of their Indian wireless businesses - the largest-ever consolidation in the Indian telecom sector.

Reliance Communications Limited, Registered Office: H, Block, 1st Floor,
Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710. CIN: L45309MH2004PLC147531

Aircel Limited, Registered Office: Opus Centre, 47 Central Road, Opp. Tunga Paradise, MIDC, Andheri (E), Mumbai,
Maharashtra - 400 093 CIN: U32201TN1994PLC029608



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The RCOM-Aircel combination will create a strong operator clearly ranked amongst India's top 4 telcos by customer base and revenues, also ranking amongst the top 3 operators by revenues in 12 important circles.

MergedCo will have the second-largest spectrum holding amongst all operators, aggregating 448 MHz across the 850, 900, 1800 and 2100 MHz bands, and will enjoy enhanced business continuity through extended validity of spectrum holdings till 2033-35.

Mr. Anil D. Ambani, Chairman, Reliance Group, said "Together with our partners, MCB, we are delighted to have taken the lead in consolidation of the Indian telecom sector, first, with RCOM's acquisition of the wireless business of SSTL (Sistema / MTS), and now, with the combination of our business with Aircel Ltd. in a 50:50 Joint Venture with MCB. We expect this combination to create substantial long term value for shareholders of both, RCOM and MCB, given the benefits of the wide-ranging spectrum portfolio and significant revenue and cost synergies."

MCB commented, "This deal further reinforces MCB's commitment to India. Since acquiring Aircel in 2006, MCB has invested in excess of INR 35,000 crore (USD 5.2 billion) into Aircel, making this one of the largest foreign investments into India, not only in the telecom industry but across all sectors. The magnitude of this investment, and the further equity commitment in support of this deal, are underpinned by MCB's belief in the long term growth potential of both India and the Indian telecom sector."

MergedCo will be one of India's largest private sector companies, with an asset base of over Rs. 65,000 crore (USD 9.7 billion) and net worth of Rs. 35,000 crore (USD 5.2 billion).

The combined entity will enjoy substantial benefits of scale driving significant revenue growth, and capex and opex synergies with an NPV of ~ Rs. 20,000 crore (USD 3 billion).

RCOM and MCB will each hold a 50% stake in the merged entity ("MergedCo"), with equal representation on the Board of Directors and all Committees. The Company will be managed by an independent professional team under the supervision of the Board.

RCOM's overall debt will reduce by Rs 20,000 crore (USD 3 billion) or over 40% of its total debt, and Aircel's debt will reduce by Rs. 4,000 crore (USD 600 million), upon completion of the transaction in 2017.

RCOM will continue to own and operate its high growth businesses in the domestic and global enterprise space, Data Centers, optic fibre and related telecom infrastructure, besides owning valuable real estate.

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On consummation of the merger, RCOM and MCB are committed to additional equity infusion into MergedCo to further strengthen the Balance Sheet, fund future growth plans, and enhance financial flexibility. Both parties are already in talks with leading international investors in this regard.

MergedCo's subscribers will have access to nationwide 'gold standard' 4G LTE services on the sub-1 GHz band, under RCOM's existing nation-wide spectrum sharing / ICR arrangements with Reliance Jio Infocomm.

The combined 2G, 3G and 4G networks position MergedCo for further strategic collaborations, and provide MergedCo the unique capability to offer a robust platform of services across all customer segments in all 22 telecom circles, including the mass market, leading to a superior customer experience at an affordable price point, and bringing the Internet to All in furtherance of Hon'ble Prime Minister Shri Narendra Modi's vision of Digital India.

The transaction is subject to applicable approvals, including inter alia, shareholder and regulatory approvals, lenders' consents, etc. Goldman Sachs, SBI Capital Markets, Standard Chartered Bank, Strategy&, A.T. Kearney, BMR Advisors, PWC, S.R. Batliboi & Co. LLP, EY, KPMG, Khaitan & Co, JSA Law, Kirkland & Ellis, and Slaughter & May are acting as Advisors for the transaction.

About Reliance Communications

Reliance Group, founded by the late Shri Dhirubhai H Ambani (1932-2002), currently has a net worth in excess of Rs 100,840 crore (USD 15.2 billion), cash flows of over Rs 11,300 crore (USD 1.7 billion) and net profit of over Rs 5,100 crore (USD 0.8 billion).

Reliance Communications is India's foremost and truly-integrated telecommunications service provider. The Company has a customer base of over 107 million, including over 2.6 million individual overseas retail customers. Reliance Communications' corporate clientele includes over 39,000 Indian and multinational corporations including small and medium enterprises and over 290 global, regional and domestic carriers.

Reliance Communications has established a pan-India, Next-Generation, integrated (wireless and wire-line), convergent (voice, data and video) digital network capable of supporting best-in-class services, spanning the entire communications value chain, covering over 21,000 cities and towns and over 400,000 villages. Reliance Communications owns and operates the world's largest Next-Generation IP-enabled connectivity infrastructure, comprising over 280,000 kilometers of fiber optic cable systems in India, the United States, Europe, the Middle-East and the Asia-Pacific region.

Website: www.rcom.co.in



Reliance Mobile



@RelianceMobile

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About Aircel Limited

Aircel is one of India's leading innovative mobile service providers. The company is a pan-India 2G operator with 3G spectrum in 13 circles and is credited with the fastest 3G roll out ever in the Indian telecom space. As a young data led telecom player, Aircel has constantly been at the helm of introducing innovative and value for money products and services for its customers, be it the Aircel Pocket Internet, taking the first step in making 3G affordable for the masses or launching revolutionary Industry first data products aimed at fuelling Internet adoption. The company has been the proud recipient of coveted awards such as Voice & Data Special Leadership Recognition in 'Customer Service' category, ET Telecom Award 2014 for its innovative customer care research model, Aegis Graham Bell award 2015, in Innovation for its "Zero Premium Assurance" solution for high service availability, Data Quest Award 2015 for 'Excellence in Implementation and Use of Technology for Business Benefits'. For more information, please log onto our website www.aircel.com.

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