



Reliance Communications Limited

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December 21, 2016

The General Manager
Corporate Relationship Department
BSE Limited
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Fax No.: 2272 2037/39/41/61/3121/3719

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66418124/25/26

BSE Scrip Code: 532712

NSE Symbol: RCOM

Dear Sir,

Sub: Media Release

We enclose herewith the Media Release dated December 21, 2016 being issued by the Company, which is self explanatory.

Kindly inform your members accordingly.

Yours faithfully
For **Reliance Communications Limited**

Prakash Shenoy
Company Secretary

Encl: As above.

**RELIANCE COMMUNICATIONS SIGNS BINDING AGREEMENTS
WITH BROOKFIELD INFRASTRUCTURE AND ITS INSTITUTIONAL PARTNERS FOR SALE
OF ITS TOWERS BUSINESS**

**RCOM TO RECEIVE UPFRONT CASH PAYMENT
OF RS. 11,000 CRORE (US\$ 1.6 BILLION)**

**RCOM TO ALSO RECEIVE 'B' CLASS NON VOTING SHARES IN TOWERCO
PROVIDING 49% FUTURE ECONOMIC UPSIDE FROM THE BUSINESS,
BASED ON CERTAIN CONDITIONS**

**RCOM EXPECTS SIGNIFICANT FUTURE VALUE CREATION BASED ON GROWTH IN
TENANCIES FROM ACCELERATING DATA CONSUMPTION**

**LARGEST EVER INVESTMENT BY ANY OVERSEAS FINANCIAL INVESTOR
IN THE INFRASTRUCTURE SECTOR IN INDIA**

**TOWER BUSINESS TO BE DEMERGED INTO A SEPARATE COMPANY
TO BE 100% OWNED AND INDEPENDENTLY MANAGED
BY BROOKFIELD INFRASTRUCTURE**

RCOM AND RJIO TO CONTINUE AS MAJOR LONG TERM TENANTS

**RCOM TO UTILISE CASH RS. 11,000 CRORE (US\$ 1.6 BILLION)
SOLELY TO REDUCE DEBT**

**COMBINATION OF RCOM'S WIRELESS BUSINESS WITH AIRCEL
AND MONETISATION OF TOWERS BUSINESS
WILL TOGETHER REDUCE RCOM'S DEBT
BY RS. 31,000 CRORE (US\$ 4.6 BILLION), NEARLY 70%**

**RCOM WILL CONTINUE TO HOLD 50% STAKE IN AIRCEL JV
AND 49% UPSIDE IN TOWERS BUSINESS TO BE MONETISED
AT AN APPROPRIATE TIME TO FURTHER REDUCE DEBT SIGNIFICANTLY**

**MONETISATION OF TOWERS MAJOR STEP FORWARD IN RCOM'S DELEVERAGING
AND ASSET LIGHT STRATEGY FOR FUTURE GROWTH**

TRANSACTION SUBJECT TO CUSTOMARY CPs AND APPROVALS

Mumbai, December 21, 2016: Reliance Communications Ltd. (RCOM) today announced the signing of binding agreements with Brookfield Infrastructure in relation to the acquisition of RCOM's nationwide tower assets by affiliates of Brookfield Infrastructure Partners LP (NYSE: BIP; TSX: BIP.UN) and its institutional partners.

RCOM will receive an upfront cash payment of Rs. 11,000 crore (US\$ 1.6 billion) on completion of the transaction.

RCOM will also receive Class B non-voting shares in the new Tower company, providing 49% future economic upside in the Towers business, based on certain conditions. RCOM expects significant future value creation from the B Class shares, based on growth in tenancies arising from increasing 4G rollout by all telecom operators and fast accelerating data consumption.

The transaction will represent the largest ever investment by any overseas financial investor in the infrastructure sector in India, and is a strong reflection of the confidence of the international investment community in the long term growth potential of the Indian economy.

RCOM's telecom towers will be demerged into a separate new Company that will be 100% owned and independently managed by Brookfield Infrastructure, thereby creating the second largest independent and operator-neutral Towers company in India.

RCOM will enjoy certain information and other rights, but will not be involved directly or indirectly in the management and operations of the new Company.

RCOM and Reliance Jio will continue as major long term tenants of the new Tower company, along with other existing third party telecom operators.

RCOM will utilize the upfront cash payment of Rs. 11,000 crore (US\$ 1.6 billion) solely to reduce its debt. The already announced combination of RCOM's wireless business with Aircel, and the monetization of the Tower business, will together reduce RCOM's overall debt by Rs. 31,000 crore (US\$ 4.6 billion), or nearly 70% of existing debt.

RCOM will continue to hold 50% stake in the wireless business combination with Aircel and the 49% future economic upside in the towers business, and will monetise these valuable assets at an appropriate time in the future to further substantially reduce its overall debt.

The implementation of the spectrum trading and sharing arrangements with Reliance Jio to secure a nationwide 4G footprint with the deepest penetration and the most efficient 850 MHz band spectrum; the merger of the Indian telecom business of Sistema Shyam Telecom Ltd.; the combination of the wireless business with Aircel to derive operational and revenue synergies and achieve further industry consolidation; and the monetisation of the towers business in this transaction with Brookfield Infrastructure, are all important milestones in RCOM's deleveraging and asset light strategy for future growth.

The transaction is subject to applicable approvals, including inter alia, shareholder and regulatory approvals, lenders' consents, etc.

Ambit, SBI Capital Markets and UBS Securities India are acting as financial advisers and Herbert Smith Freehills LLP and JSA Law are acting as legal advisers to RCOM for the transaction.

Reliance Communications Ltd.

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.100,840 crore (US \$15.2 billion), cash flows of over Rs.11,300 crore (US \$1.7 billion) and net profit of over Rs. 5,100 crore (US\$ 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 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 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 fibre optic cable systems in India, USA, Europe, Middle East and the Asia-Pacific region (www.rcom.co.in)

Website: www.rcom.co.in



Reliance Mobile



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