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RCom rings in 71% rise in net profit

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ANIL Ambani-owned Reliance Communications (RCom), India's second largest telecom major, recorded a 70.8 per cent growth in net profit at Rs 5,401 crore during the fiscal ended March 31, 2008 as against Rs 3,164 crore in the last fiscal.

The company's wireless, global and broadband business added Rs 15,214 crore, Rs 5,475 crore and Rs 1,787 crore to the revenues of the fiscal, up 41.8%, 5.8% and 56.2%, respectively, compared to FY07. The company's EBITDA stood at Rs 8,199 crore for FY 08, a growth of 43.3% from last fiscal. Revenues for the fiscal grew to Rs 19,068 crore from Rs 14,468 crore, a growth of 31.8%. EBITDA margin grew from 39.5% to 43%.

For the quarter ended



RCom chairman Anil Ambani at a press meet in Mumbai

March 31, 2008 the company recorded a profit after tax of Rs 1,503 crore, up by 46.8% from Rs 1,024 crore. Reliance subscriber base reached 46 million as of March 31, 2008, with a churn rate of under 2%. The results, however, failed to cheer the company's stock on the Bombay Stock Exchange, where it rose marginally (0.88%) on Wednesday to close at Rs 579.75, as the benchmark Sensex lost 125 points on profit booking. The company reported a foreign exchange derivative loss at Rs

25 crore for the year and Rs 18 crore for the last quarter. Without getting into the details, Anil Ambani, chairman, Reliance Communications, said, "We practice risk management programs and we have taken into account a financial conservative model."

He added that of the Rs 45,000 crore capex investments for the entire enterprise, announced by the company between last year and this year, about Rs 25,000 crore will be invested this year.