

MEDIA RELEASE

Mumbai, January 10, 2007: The Board of directors of Reliance Communications met today wherein **the Board reaffirmed its interest** in the potential opportunity relating to the business of Hutchison Essar Limited (HEL). The Board authorized RCOM Chairman, Mr. Anil Dhirubhai Ambani to take all necessary steps for this purpose, including raising long term resources in form of External Commercial Borrowings (ECBs) etc., as may be appropriate. **The Board noted that there is no certainty either on the completion, or the timing, of the said proposal.**

Issuance of Foreign Currency Convertible Bonds (FCCBs) in the international markets, in one or more tranches, upto \$ 1 billion or equivalent thereof, at a premium to the market price of the equity shares of the company, was also approved by the RCOM Board.

The Board also gave its approval on the Implementation of the Employee Stock Option Scheme (ESOS) and constituted an ESOS Compensation Committee of independent directors of the company for administering the ESOS. The members of the company had approved the ESOS through a postal ballot, the results whereof were declared on January 8th, 2007.

The decisions of the Board are subject to all necessary permissions, sanctions and approvals as may be required.

About Reliance Communications: Ranked among **Asia's 6 Topmost Valuable Telecom Companies**, is India's foremost truly integrated telecommunications service provider. The company's customer base of over 31 million including close to 1 million individual overseas retail customers, rates it among the **Top 10 Asian Telecom companies**. Reliance Communications corporate clientele includes 600 Indian and 250 multinational corporations, and over 200 global carriers.

The company 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 Infocomm value chain, covering over 6000 towns and 3,00,000 villages. Reliance Communications owns and operates **World's largest next generation IP enabled connectivity infrastructure**, comprising over 150,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. The company's subsidiary, FLAG Telecom owns **World's largest private undersea cable system**, spanning 65,000 kilometers connects the top business centers in developed and emerging markets across 6 continents.