

MEDIA RELEASE

**RELIANCE COMMUNICATIONS AND MTN MUTUALLY DECIDE
TO ALLOW EXCLUSIVITY AGREEMENT TO LAPSE**

**UNABLE TO PRESENTLY CONCLUDE TRANSACTION
OWING TO CERTAIN LEGAL AND REGULATORY ISSUES**

Mumbai, India: 18th July, 2008: Shareholders are referred to the announcements made on 26 May and 9 July 2008 relating to exclusive negotiations for a potential business combination between Reliance Communications Limited, India's leading telecom company, and MTN Group, a leading emerging market telecom operator.

Owing to certain legal and regulatory issues, the parties are presently unable to conclude a transaction. Accordingly, it has been mutually decided to allow the Exclusivity Agreement to lapse.

About Reliance Communications

Reliance Communications Limited founded by the late Shri. Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Anil Dhirubhai Ambani Group. The Reliance Anil Dhirubhai Ambani Group currently has net worth in excess of Rs. 55,000 crore (US\$ 14 billion), cash flows of Rs. 11,000 crore (US\$ 2.8 billion), net profit of Rs. 7,700 crore (US\$ 1.9 billion) and zero net debt.

Rated among "Asia's Top 5 Most Valuable Telecom Companies", Reliance Communications is India's foremost and truly integrated telecommunications service provider. The company, with a customer base of over 50 million including over 1.5 million individual overseas retail customers, ranks among the Top 10 Asian Telecom companies by number of customers. Reliance Communications corporate clientele includes 2100 Indian and multinational corporations, 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 20,000 towns and 450,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 175,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. For further information, please visit www.reliancecommunications.co.in