



Reliance Communications and Alcatel - Lucent forms Joint Venture to offer Managed Network Services to Telcos across the globe

The estimated market size for Managed Network Services by 2012 will be \$ 16 Bn (Rs. 64,000 Crore)

To start with Joint Venture to provide Managed Services to Reliance Communications CDMA and GSM Networks

Mumbai, May 12th 2008 – Reliance Communications, India's largest integrated telecommunications service provider, and Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced forming a global joint venture. Combining the unique strengths of Alcatel-Lucent and Reliance Communications, the Joint Venture Company would foray in the fast growing \$ 16 Bn (Rs. 64,000 Crore) Managed Network Services Industry and will cater to telecom operators, both CDMA and GSM, across the globe.

The first assignment of this joint venture will be to provide Managed services for Reliance Communications nationwide CDMA & GSM networks in India.

"World over, the biggest challenge Telecom operators are facing is to continuously improve competitiveness by reducing operating expenditure and enhancing network quality to provide superior customer experience. The combined expertise and experience of Reliance Anil Dhirubhai Ambani Group and Alcatel-Lucent would create an unmatched blend of leadership in technology, innovation, scale of operations and customer service to become Worlds leading Managed Network Services Provider", said Mr. Sandip Biswas, Head - Managed Network, Reliance Communications. "The Joint Venture is a leap forward in Reliance Communications' vision to continuously redefine the benchmarks of customer experience and enhance value for our 2 million shareholders".

With the unique combination of network management and operations expertise, consulting and IT experience, as well as technology, the Joint Venture would facilitate a proactive, quick-to-respond environment to fast-paced and dynamic market conditions to leading telecom service providers including Reliance Communications. The joint venture will support the expansion and growth of Reliance Communications, within and outside India, bringing predictability of the operations and related expenses, while maintaining the highest standards of customer experience.

"Alcatel-Lucent is committed to partner Reliance in its goals to further increase its market leadership position by helping them heighten their customer satisfaction and business capitalization through enhancing value by operating, maintaining and running complex projects in a changing environment" said Andy Williams, President of Alcatel-Lucent's, Services business. "This partnership confirms our trusted partner relationship with Reliance Communications and reinforces Alcatel-Lucent's position as a strong and competitive managed services provider. Mr. Sandip Biswas, Head - Managed Network, Reliance Communications said **"Reliance** Communications and Alcatel-Lucent aim to offer a diverse bouquet of Managed Network Service offerings for telecom service providers. We have complete confidence in Alcatel Lucent's deployment capabilities, local competencies and strong local technical support team, which alongwith Reliance Communications, would play a key role towards the success of this venture."

A new legal entity is being formed as part of the joint venture. Alcatel-Lucent will have the operational control of the new entity. Reliance Communications is represented in the Joint Venture through its wholly own subsidiary. The joint venture would thereafter expand its operations in the global arena. This joint venture will create a unique cornerstone and cost-effective bridge for managed services globally.

"We will build on Alcatel – Lucent's existing operational and multi vendor capabilities in India to drive this innovative business model which is a unique partnership between a leading service provider and a leading vendor in the telecom space" said Vivek Mohan, Managing Director, Alcatel-Lucent India Regional Unit.

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 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 48 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 1850 Indian and multinational corporations, and over 250 global 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 infocomm value chain, covering over 15,000 towns and 400,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 165,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. For more information, visit <u>www.reliancecommunications.co.in</u>

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) provides solutions that enable service providers, enterprise and governments worldwide, to deliver voice, data and video communication services to end-users. As a leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent offers the end-to-end solutions that enable compelling communications services for people at home, at work and on the move. With operations in more than 130 countries, Alcatel-Lucent is a local partner with global reach. The company has the most experienced global services team in the industry, and one of the largest research, technology and innovation organizations in the telecommunications industry. Alcatel-Lucent achieved revenues of Euro 17.8 billion in 2007 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: http://www.alcatel-lucent.com

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