

Reliance Communications announces ESOPs for over 20,000 employees

An Innovative 3 – Tier ESOP Model Devised

ESOS Compensation Committee of the Board of Directors of RCOM approves initial grant of 17.5 million Employee Stock Options

Mumbai, March 9th 2008: Reliance Communications, India's largest integrated telecom service provider, today announced a first of its kind and unique Employee Stock Options Scheme in order to share the growth in value and reward its employees for having participated in the unprecedented success of the company. The initiative in line with the Groups policy to create value for stakeholders – external and internal, the **Employee Stock option scheme would cover over 20,000 employees** of Reliance Communications, and its subsidiaries, making it the largest ESOP rollout by any Indian Telecom Service Provider. The ESOS Compensation Committee of the Board of Directors of the Company approved grant of **1, 75,00, 000 (17.5 million) Options to the eligible employees** based on specified criteria.

“Our Group Founder and Visionary, Late Shri Dhirubhai Ambani always believed that knowledge resides in people, and accordingly always built the growth plans of Reliance around people”, said Mr. Anil Dhirubhai Ambani, Chairman – Reliance Communications. *“The Employee Stock Option Scheme truly recognizes the efforts of our employees and aims to reward them for contributing towards the transformation of Reliance Communications as the most profitable Indian Telecom Enterprise, and among Asia's Top 5 Most Valuable companies within a short span of two years”,* he added.

The Company has undergone extensive research based on intricate scientific models to formulate an innovative **3-Tier Model** that would consider multiple parameters to derive at number of options to be granted to every individual employee. The Three-Tier Model, incorporating global best practices, would consider multiple parameters including number of years in the company, Role, Contribution, Experience amongst others while categorization under:

- **Founder's Club**
- **Pioneer's Club**
- **Growth Club**

Each option would be exercisable into equal number of fully paid-up equity shares of Reliance Communications. The Options will vest at the end of one year from the date of grant and shall be eligible for exercise up to a period of nine years from the date of vesting as prescribed in the Exercise Schedule of the respective Plan(s). The Shareholders of Reliance Communications had passed the resolution of grant of securities under the ESOS scheme last year. An ESOS Committee of Independent Directors of the Board was constituted to administer the ESOS.

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. 40,000 crore, cash flows of Rs. 9,000 crore, net profit of Rs. 5,000 crore 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 around 46.5 million including over 1.4 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 200 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 175,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

For further information, pls contact Gaurav Wahi on +91 9322904680