

**Re: Reliance Infratel Limited**

**Mumbai, May 31, 2011:** The Board of Directors of Reliance Communications Limited (RCOM) was informed of the receipt of formal indicative offers from several interested parties, for the acquisition of RCOM's controlling interest in Reliance Infratel Limited, its passive infrastructure subsidiary.

The Board noted that, based on the indicative offers, completion of such a transaction would facilitate RCOM's stated objectives of achieving a substantial reduction of its overall debt position, and staying well within its target long term leverage ratios. Accordingly, the Board has approved taking the process to the next stage of detailed due diligence, etc., with a view to completing such a potential transaction at the earliest.

Investors are advised that this is only a preliminary disclosure, and any such potential transaction is subject to appropriate due diligence, negotiations, documentation, approvals, etc.

**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 a net worth in excess of Rs. 64,000 crore (US\$ 13.6 billion), cash flows of Rs. 13,000 crore (US\$ 2.8 billion), net profit of Rs. 8,400 crore (US\$ 1.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 142 million including over 2.5 million individual overseas retail customers, ranks among the Top 4 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 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 24,000 towns and 600,000 villages. Reliance Communications owns and operates the world's largest next generation IP enabled connectivity infrastructure, comprising over 277,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

**About Reliance Infratel**

RITL, a subsidiary of Reliance Communications, holds an IP 1 Licence (Infrastructure Provider) issued by the Department of Telecommunications ("DoT") and is an independent wireless telecommunications infrastructure company, engaged in the business of building, owning and operating communications towers, optic fibre cable and other related assets at designated sites. Reliance Infratel owns nearly 50K towers, and 200,000 route kilometres of national optic fiber network that integrates seamlessly with portfolio of towers allowing to provide the most economical, high quality connectivity to our customers.