

**RELIANCE COMMUNICATIONS TO AWAIT APPROPRIATE MARKET
CONDITIONS TO UNLOCK FULL VALUE OF FLAG TELECOM ASSETS**

Mumbai: July 20, 2012: Reliance Communications (the "Company") had earlier announced that it was evaluating a potential initial public offering and listing in Singapore of its subsea telecommunications infrastructure network business (known as Flag Telecom), through a Singapore business trust. On July 05, 2012, the business trust, Global Telecommunications Infrastructure Trust, lodged a copy of the preliminary prospectus with the Monetary Authority of Singapore.

The Company states that it will await supportive market conditions and easing of prevailing global uncertainties to proceed with the offering / listing at an appropriate time in the future, in order to unlock the full value of the Flag Telecom assets in the best interests of its over 2 million shareholders. Subsequent updates will be provided to the stock exchanges and relevant authorities in due course.

This announcement is not an offer of securities for sale in the United States or elsewhere. This announcement is not for distribution in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States, and may not be offered or sold in the United States unless registered under the Securities Act and applicable state securities laws of the United States or pursuant to an exemption from such registration. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. Nothing in this announcement shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

About Reliance Communications Limited:

Reliance Communications Limited founded by the late Shri Dhirubhai H Ambani (1932-2002) is the flagship company of the Reliance Group. The Reliance Group currently has a net worth in excess of Rs. 89,000 crore (US\$ 19.7 billion), cash flows of Rs. 10,900 crore (US\$ 2.8 billion), net profit of Rs. 3,600 crore (US\$ 0.8 billion).

Reliance Communications is India's foremost and truly integrated telecommunications service provider. The Company, with a customer base of over 161 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 35,000 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.