

**Reliance Communications draws second tranche of
Rs. 1,780 crore (US\$ 400 Million) from
China Development Bank underwritten facility of
Rs. 8,700 crore (US\$ 1.93 Billion)**

Total draw down of Rs. 4,780 crore (US\$ 1.06 Billion) so far

Drawn down amount to be used to refinance higher cost Short Term Rupee Debt

Loan to refinance 3G spectrum Auction

Annual projected interest cost savings of over Rs. 500 crore per year

**RCOM to benefit from extended Loan Maturity of 10 years
and substantial interest cost savings**

Mumbai; May 12, 2011: Reliance Communications Limited (RCOM) has today drawn down second tranche of Rs.1,780 crore (US\$ 400 Million) towards refinancing of 3G spectrum fees out of the Rs. 8,700 crore (US\$ 1.93 Billion) facility signed with China Development Bank (CDB) on March 9, 2011. The facility includes Rs. 6,000 crore (US\$ 1.33 Billion) for refinancing 3G spectrum fee payment by RCOM and Rs. 2,700 crore (US\$ 600 Million) for equipment imports from Chinese Vendors.

The first tranche of Rs. 3,000 crore (US\$ 665 Million) was drawn down on 17th March 2011. **With this drawl, RCOM has already drawn Rs. 4,780 crore (US\$ 1.06 Billion) towards refinancing of 3G spectrum fees and the last tranche is expected to be drawn very shortly.**

The drawn down amount will be used to refinance RCOM's short term rupee borrowings resulting in substantial savings in its interest cost apart from extending RCOM's debt maturity profile.

The loan facility which is fully underwritten by CDB, and is being funded by a syndicate of Chinese Banks/ Financial Institutions including CDB.

This represents the first and largest ever Syndicated Loan for refinancing Spectrum Fees by any telecom company.

About Reliance Communications

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. 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 138 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.