

Reliance Money takes gold to masses, launches ½ gram and 1 gram pure 24 carat Gold Coins

- **First company in India to launch pure gold coins in lower denominations of ½ gram and one gram**
- **Company to tap the large “Gifting market” in India with this move**
- **All gold coins certified 24 carats, 999.9 purity, imported from Valcambi SA of Switzerland**
- **Gold Coins would be available across the country at Reliance Money, Reliance World and Reliance Money Partner outlets.**

October 15, 2007, New Delhi: Reliance Money, the financial services & products distribution company of Reliance Anil Dhirubhai Ambani Group, today launched its ½ gm and 1 gm pure gold coins in the country.

With this, Reliance Money becomes the first company in India to offer pure gold coins in lower denominations of ½ gram and 1 gram. Its range of gold coin now includes gold coins in the ½ gram, 1 gram, 5 gram and 8 gram denominations.

“This move would bring about a paradigm shift in the gold coin retailing space in the country. Gold today is a costly metal with limited usage. We intend changing this by making pure gold available to a larger set of consumers by offering it at a convenient price point. We expect this move to grow the demand for gold significantly” said Sudip Bandyopadhyay, Director & CEO of Reliance Money.

Reliance Money imports 24 carat gold coins 999.9 purity from Valcambi SA (the largest gold refining company) of Switzerland in sealed cover with Swiss Assyar's Certificate for retailing in India.

“Reliance Money would also be tapping the huge gifting market in India with this lower denomination coins. We see no reason why people should opt for anything else if a pure gold coin is available to them at roughly the same price” added Mr. Bandyopadhyay.

"World Gold Council is extremely pleased to be associated with Reliance Money in its initiative for retailing of gold coins. The credibility of Reliance Money and Valcambi, coupled with Reliance's unique distribution strength, would definitely make this venture a great success and significantly expand the gold coin retailing market in India", said Mr Ajay Mitra, Managing Director, World Gold Council, who was also present on the occasion.

The entire range of pure gold coins – ½ gram, 1 gram, 5 gram and 8 gram - would be available across Reliance Money, Reliance World and the company's partner outlets across the country.

ABOUT Reliance Money

Reliance Money, the Broking and Distribution arm of Reliance Capital provides a single window platform for transacting in a wide range of asset classes, including Equity, Equity & Commodity Derivatives, IPOs, Mutual Funds, Life & General Insurance, Money Changing and Money Transfer and Gold Coins amongst others.

Its Money Transfer business is under the brand name of 'Reliance Money Express', amongst the largest principal agents of Western Union Money Transfer Services in India with 21 branches and over 3000 sub agents across India.

ENDS

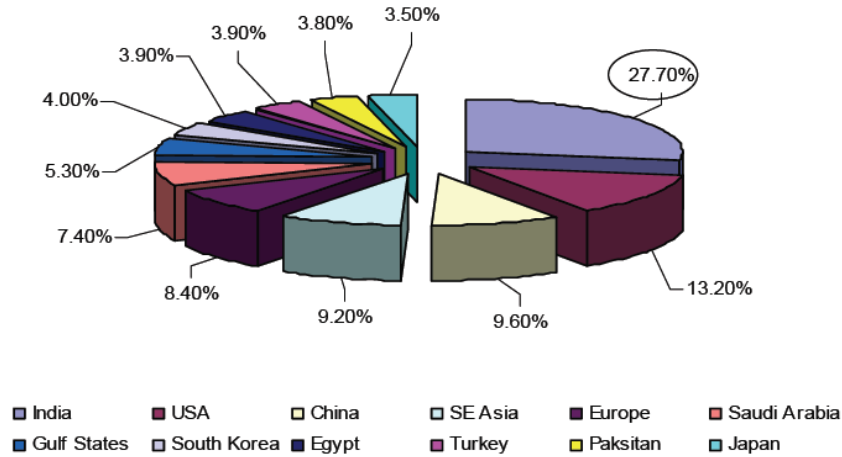
For details

Sanjay Banerjee: 9311171567 sanjay.banerjee@relianceada.com
Sharad Goel: 9323835459 sharad.goel@relianceada.com

World Scenario

India is the world's largest gold consumer

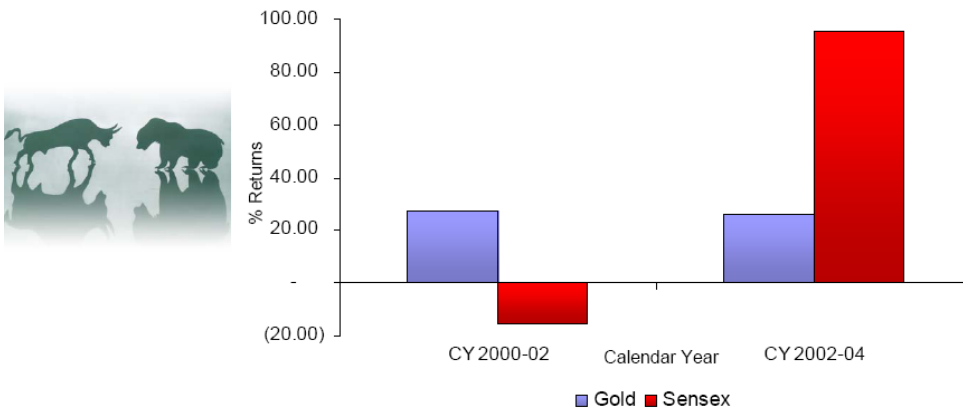
Worldwide Consumption



Source: World Gold Council

Gold – A Portfolio Diversifier

Gold Vs Sensex during different market cycles

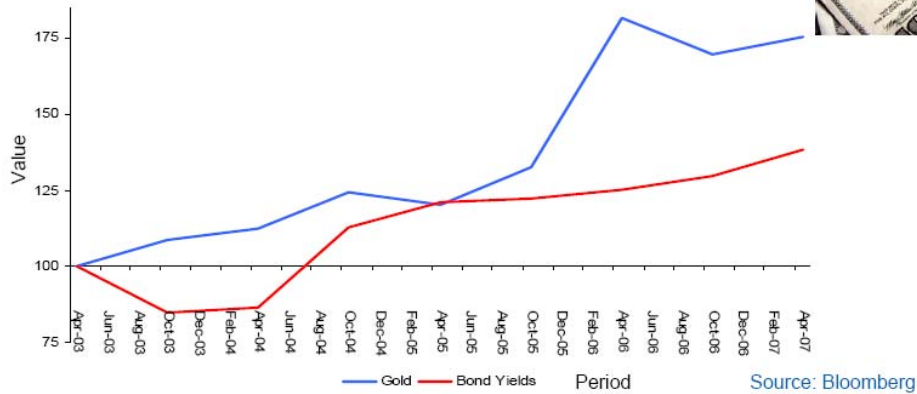


Source: Bloomberg, www.bseindia.com

During different market cycles Gold as an asset class have been delivering consistent returns.

Gold – A Portfolio Diversifier

Debt Vs Gold prices during rising yields

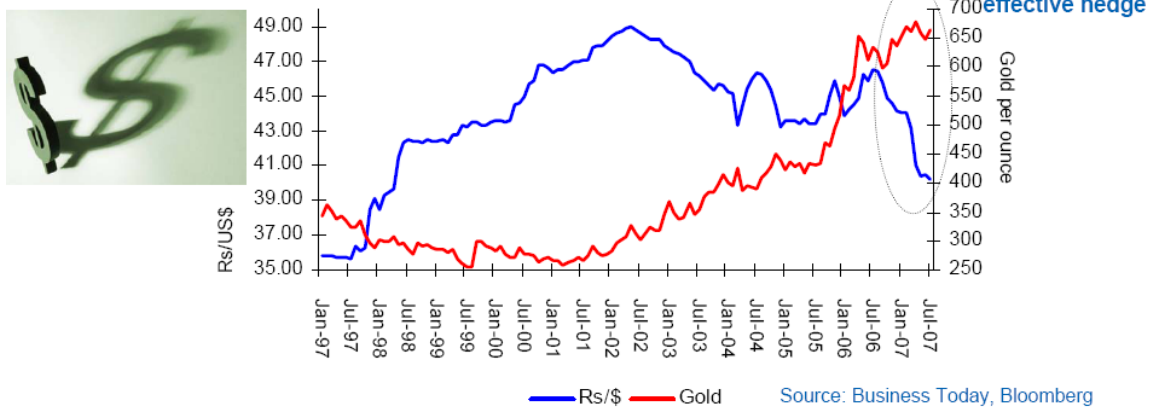


- 10 year bond yields rose from 4.97% in Oct '03 to 7.17% in Oct '05 to 8.11% in Apr '07 indicating a fall in debt market returns.
- During the period of Apr '03 to Apr '07 Gold gave a CAGR of 14.9%.

Yields and prices of the bonds are inversely related. Therefore rise in yields would lead to lower prices & hence tend to reduce returns

Gold – A Portfolio Diversifier

Gold – Hedge against US \$

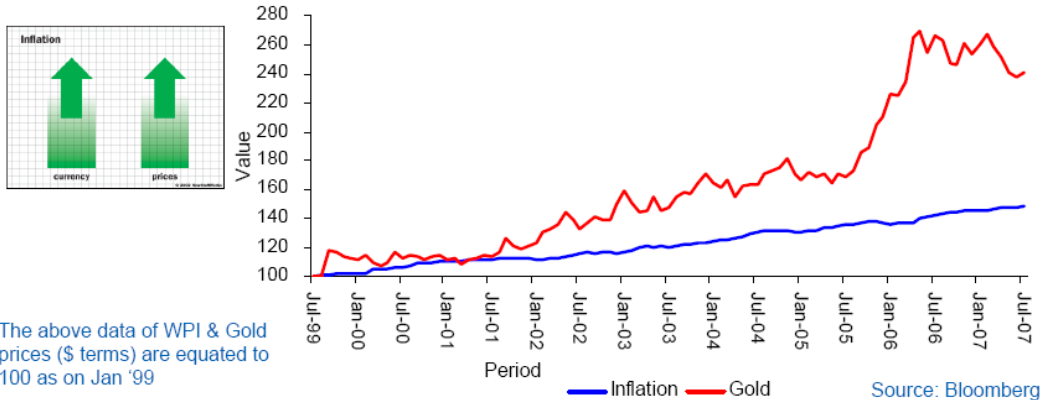


- The above graph shows that Gold has an inverse relationship with US dollar indicating that Gold can act as a hedge against dollar currency exposure.
- With the dollar weakening & the growth slowing down in the US, investors are flocking back to Gold.



Gold – A Portfolio Diversifier

Gold Vs Inflation



- Rising oil prices, coupled with high liquidity, have contributed to a rise in inflationary pressures globally. Inflation, simply put, is an erosion in the value of money and therefore in such times there is a strong case to move money into real assets such as gold.
- Gold has been an effective hedge against inflation. Historically higher inflation have led to higher gold prices.

Outlook of Gold

- The return of positive investor sentiment, key external factors turning significantly price-positive, and an improving supply/demand balance drove gold prices over \$700.
- In an environment of expected slower US growth momentum, fed funds rate easing, a weakening dollar, rising oil prices and heightened geopolitical concerns, gold prices appear to be firmly supported in the months ahead.
- Meanwhile, market conditions for gold-specific factors have now evolved unfavorably such that two price drivers have become less supportive. First, central bank selling has picked up, and second, de-hedging is set to slow.
- However, strong recovery in physical demand and positive external drivers outweigh the two gold specific factors for now.
- Hence in our view the gold prices are likely to maintain their upward momentum in the months ahead.