

**Reliance Globalcom acquires U.K. based Global Managed Network Services provider
VANCO Group Limited**

Enhances Reliance Globalcom's annual revenues by \$ 365 million (Rs. 1,550 crores)

Adds over 220 MNCs to Reliance Globalcom customer base

Reliance Globalcom Managed Network footprint expands to 163 countries

Vanco's peak Market Capitalisation was \$ 750 million (Rs. 3,000 crores)

London / Mumbai, May 26th 2008: Reliance Globalcom Limited, subsidiary of India's largest integrated telecom Service provider Reliance Communications, today announced signing of an agreement to acquire the London headquartered pioneering Global Managed Network Services, VANCO Group Limited through one of its wholly-owned subsidiary. The acquisition of VANCO would add \$365 Million (Rs. 1,550 crore) to the annual revenue of Reliance Globalcom through secure Long-term contracts with largest enterprise customers.

"The acquisition of VANCO is in line with Reliance Globalcom's vision to create one of the Top 5 Global Datacommunications Enterprises in the world", said Mr. Anil Dhirubhai Ambani, Chairman, Reliance Communications. ***"The combination of Reliance Globalcom's extensive capabilities and VANCO's unique global experience would create a new breed of integrated services communications powerhouse",*** he added.

VANCO is recognised by Gartner to be amongst world's top 5 Managed Global Network players with over 220 MNC customers. Its blue chip customer base includes AVIS, British Airways, Siemens, Virgin Megastores. VANCO increases the Reliance Globalcom's tally of enterprise customers to over 1,400. VANCO has been rated as Worlds "Best Network Service Provider" for three years in a row since 2005. VANCO Managed Network services are currently available in over 40,000 locations across 163 countries. 90% of VANCO's revenue is from developed markets of UK, US, France and Germany.

Among the most valuable companies in Managed Network Services, Vanco's peak market capitalisation was over \$750 Mn (Rs. 3,000 crore). Under the acquisition agreement, Reliance Globalcom would pay \$ 76.9 Mn (Rs.327 Crores) to acquire 100% equity of VANCO Group Limited free of debt.

Reliance Globalcom, through this acquisition, would add 9 Network Management Centers to its integrated and innovative global service systems and processes. Reliance Globalcom would get a significant advantage through VANCO's relationships with over 700 global, regional and domestic carriers capable of offering services in 230 countries. Reliance Globalcom's highly experienced sales and channel organisation structure would further

enhance its customer delivery capabilities in important geographies like US, UK, France, Germany, Benelux, Singapore and Australia.

Punit Garg, President & CEO, Reliance Globalcom said “The strong management team of VANCO led by Mark Thompson along with Wayne Churchill will effectively enhance the expertise and depth of enterprise customer management at Reliance Globalcom. This will help the technology groups in the company to leverage resources beyond strategic business boundaries.”

Reliance recently acquired eWave World, a 4G operator focused on emerging markets across Asia, Latin America, Western Europe and Africa. Last year, Reliance Globalcom had acquired a world leading US based Ethernet Service provider, Yipes Holding Inc. for \$ 300 Mn (Rs. 1200 cr) in 2007. The company is investing \$ 500 Mn (Rs. 2000 crore) and \$ 200 Mn (Rs. 800 crore) in 4G and Global Ethernet services respectively to expand its presence in over 50 countries. Reliance Globalcom is also investing \$ 1.5 Bn (Rs. 6000 cr) in it's fully IP enabled undersea cable network expansion programme that would address the global connectivity needs of over 90% of world population across 60 countries in 6 continents.

About Reliance Globalcom: Reliance Globalcom, a division of Reliance Communications, spearheads the Global Telecom operations of India's largest Integrated Telecom Service Provider. Reliance Globalcom brings together the synergies of Reliance Communications Global Business encompassing Enterprise Services, Capacity Sales, Managed Services and a highly successful bouquet of Retail products & services comprising of Global Voice, Internet Solutions and Value Added Services. The company serves over 1200 enterprises, 200 carriers and 1.5 million retail customers in 50 countries across 5 continents.

Reliance Globalcom's wholesale product “Reliance FLAG” is the worlds largest private undersea cable system spanning 65,000 kms seamlessly integrated with Reliance Communications over 1,10,000 kms of domestic optic fibre provides a robust Global Service Delivery Platform connecting 40 key business markets in India, the Middle East, Asia, Europe, and the U.S. through an overlay low-latency, global. MPLS-based IP network. Reliance Globalcom's Enterprise Division (formerly Yipes Inc.) is a leading provider of managed Ethernet and application delivery services for the global enterprise. The patented custom data-networking solutions empower businesses by delivering high performance, dynamic control, unmatched service quality, and rapid ROI. For further information, please visit www.relianceglobalcom.com

About Vanco: Established in 1988, Vanco is the pioneering and leading global Virtual Network Operator. Vanco does not own telecoms assets and therefore has the freedom to source infrastructure from the most suitable Asset Based Carriers (ABCs) on a global basis. It provides enterprise clients, directly or through partners, with cost-effective, optimized and fully managed network solutions. Carriers can also extend their off-net reach by accessing, through Vanco, other carrier networks around the world.

Through the Vanco network solution clients get access to the greatest geographic coverage available through a single provider. Vanco offers incomparable flexibility to customise and adapt the solution in line with market changes and business priorities.

Vanco is recognised by the industry for its financial success and world class customer service delivery. A significant proportion of its investment capital goes into customer care which is reflected by the awards won, independent market research and client retention.