



Anil Dhirubhai Ambani Group

### **Reliance Communications Completes Acquisition of US-based Yipes Holdings, Inc. through FLAG Telecom**

*Yipes Ethernet services will be offered combined with FLAG's extensive global network to provide unmatched global coverage and more scalable, flexible and best-of-class services.*

Mumbai, San Francisco — December 20, 2007 Reliance Communications Ltd. received approval from the Federal Communications Commission (FCC) for the merger of U.S.-based Yipes Holdings, Inc. The FCC is an independent United States government agency charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. Reliance Communications announced the U.S. \$300 million acquisition of Yipes in July 2007. The transaction, closed on December 19, 2007, is a key milestone in Reliance Communications' plan to become a global data communications leader.

The combination of Yipes' enterprise Ethernet services; the private undersea cable system of FLAG Telecom, a subsidiary of Reliance Communications; and Reliance's commitment to expansion and growth will enable the creation of a global service-delivery platform with unmatched coverage and capability. Yipes' customers will enjoy broader coverage, access to more international markets, and the rollout of new innovative services.

Punit Garg, President, Global Business, Reliance Communications & chief executive officer, FLAG Telecom said, "FCC approval is an important step for Reliance to accelerate its plans to expand Yipes' coverage in the U.S. domestic market. This step also paves the way to extend Yipes' services worldwide over FLAG's global next-generation network, creating significantly more value from our undersea network assets in the strongholds of India, the Middle East, and East Asia."

With the acquisition of Yipes, Reliance will accelerate its penetration into the lucrative \$100 billion global enterprise and institutional data services market and will be better able to serve its international customers directly in the U.S.

"Yipes has always been a leader in providing innovative technology and first-class services to its customers. Our acquisition by Reliance will enable us to extend our technology to enterprise customers around the world while maintaining our customer service commitments," said John Scanlon, chief executive officer of Yipes. "Our rapid global expansion will allow us to secure a larger share of the business Ethernet services market, the fastest growing segment of the data services market, which is projected to climb to \$30.7 billion by 2012." (Market data from Vertical Systems Group, "Worldwide Business Ethernet Services," 10/11/07.)

#### **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 market capitalization of over U.S. \$63billion (Rs. 2,70,000) crore , net worth in excess of U.S. \$ 10 billion (Rs 40,000 crore), cash flows of U.S. \$ 2.25 billion (Rs 9,000 crore), net profit of U.S. \$ 1.25 billion (Rs 5,000 crore), and zero net debt. Rated among "Asia's Top Five Most Valuable Telecom Companies", Reliance Communications is India's foremost, and most truly integrated, telecommunications service provider. The company, which has a customer base of over 38 million, including over 1.3 million individual overseas retail customers, ranks among the Top 10 Asian Telecom companies by number of customers.

Reliance Communications corporate clientele includes 600 Indian and 250 multinational corporations, and over 200 global carriers. The company 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 Infocomm value chain, covering over 13,000 towns and 500,000 villages. Reliance Communications owns and operates the world's largest next-generation IP-enabled connectivity infrastructure, comprising over 165,000 kilometers of fiber optic cable systems in India, the U.S., Europe, the Middle East, and the Asia Pacific region. For more information, visit: [www.reliancecommunications.co.in](http://www.reliancecommunications.co.in).

#### **About FLAG Telecom**

FLAG Telecom, a wholly owned subsidiary of Reliance Communications, owns and operates the world's largest private undersea cable system, spanning 65,000 route kilometers and four continents. FLAG has an established customer base of more than 200 leading services providers, content providers, and channel partners.

This extensive network serves as a Global Service Delivery Platform connecting 37 key business markets in India, the Middle East, Asia, Europe, and the U.S. through an overlay low-latency, global, MPLS-based IP network. FLAG offers a focused range of products, including Managed Bandwidth, IP VPN, IP Transit, Global Ethernet, and Co-location services.

FLAG's Global Ethernet service is a fundamental enabler of its Global Service Delivery Platform, providing a next-generation, multi-service, wide area network (WAN) to transport voice, video, and data traffic reliably, conveniently, and economically to global destinations using Ethernet technology.

For more information please visit [www.flagtelecom.com](http://www.flagtelecom.com).

#### **About Yipes Enterprise Services, Inc.**

Yipes Holdings is the parent company of Yipes Enterprise Services, the leading provider of managed Ethernet and application delivery services for the global enterprise. Yipes' custom data networking solutions empower businesses by delivering high performance, dynamic control, unmatched service quality, and rapid ROI. Enterprise customers worldwide take advantage of Yipes' managed Ethernet services because they are easier to implement and manage than other services. Yipes' specialized offerings and obsession with customer satisfaction ensure that the company delivers the best quality experience. Over 1,000 enterprise customers worldwide rely on Yipes high-performance managed services to improve their competitive advantage. Yipes is a Reliance Communications company. For more information, visit [www.yipes.com](http://www.yipes.com).

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