

MEDIA RELEASE

**ADLABS FILMS, A COMPANY PROMOTED BY RELIANCE CAPITAL GROUP (RCL)
ANNOUNCES DEMERGER OF FM RADIO BUSINESS**

**ALL RELIANCE CAPITAL SHAREHOLDERS TO RECEIVE 1 (ONE) FREE SHARE OF
ADLABS FM RADIO BUSINESS FOR EVERY 6 (SIX) SHARES HELD IN RCL**

DEMERGED COMPANY TO BE SEPARATELY LISTED

DEMERGER TO UNLOCK SUBSTANTIAL SHAREHOLDER VALUE

Mumbai, 24th April 2006: At a board meeting held today, the Board of Directors of RCL noted the proposal of Adlabs Films Limited (AFL) **for de-merger of its FM Radio Business to a wholly owned subsidiary (SPV).**

The scheme envisages **issue of pro-rata shares by the SPV, to all Shareholders of Adlabs Films Limited, in the ratio of 2 (two) FREE Shares of the SPV, for every 1 (one) Share of Adlabs Films Limited. The demerged company is proposed to be separately listed on the BSE and NSE, to provide liquidity to all shareholders.**

Reliance Land Private Limited (RLL), an affiliate company of RCL, will receive 4,12,00,000 (Four Crore Twelve Lakhs) shares of the SPV pursuant to the proposed demerger.

The **shares of the SPV** received by RLL are **proposed to be distributed free of charge, pro-rata to all shareholders of RCL** in the ratio of 1 (one) share of the SPV for every 6 (six) shares held in RCL.

All **shareholders of Reliance Capital Ventures Limited (RCVL)**, presently under the process of merger with RCL, **will also receive free shares** as above of the SPV in line with their shareholdings in RCL.

The Scheme is subject to all requisite permissions and approvals, including inter alia, from shareholders, licensing and regulatory authorities, lenders, stock exchanges, High Courts, etc.

The proposal will unlock substantial value for all RCL shareholders, and will enable them to directly participate in the FM Radio business, one of the fastest growing segments in the Media and Entertainment industry.

Adlabs Films recently won licenses for operating FM Radio stations in 45 cities across India, including all leading metro cities.

Background:

Reliance Capital Ltd is a part of the Reliance - Anil Dhirubhai Ambani Group.

Reliance Capital is one of India's leading and fastest growing private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth.

Reliance Capital has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking and other activities in financial services.