

MEDIA RELEASE

CONSOLIDATED TOTAL INCOME OF RS. 1,369 CRORE (US\$ 305 MILLION)

CONSOLIDATED NET PROFIT OF RS. 106 CRORE (US\$ 24 MILLION) – UP 68%

ENTIRE PROFITS CONTRIBUTED BY CORE BUSINESSES – NO CAPITAL GAINS

TOTAL ASSETS OF RS 30,392 CRORE (US\$ 7 BILLION) – UP 26%

**NET WORTH OF RS. 8,126 CRORE (US\$ 2 BILLION)
RANKS AMONG TOP 4 INDIAN PRIVATE SECTOR FINANCIAL SERVICES GROUPS**

RCAM – PROFIT OF RS. 91 CRORE (US\$ 20 MILLION) – UP 23%

RCAM MANAGED RS. 1,41,874 CRORE (US\$ 32 BILLION), ACROSS MUTUAL FUNDS, PENSION FUNDS, MANAGED ACCOUNTS AND HEDGE FUNDS – UP 1%

RELIANCE COMMERCIAL FINANCE – PROFIT OF RS. 79 CRORE – UP 108%

**RELIANCE COMMERCIAL FINANCE – ASSETS UNDER MANAGEMENT
RS. 12,348 CRORE (US\$ 4 BILLION) – UP 30%**

RELIANCE COMMERCIAL FINANCE – 95% OF LOAN BOOK SECURED

RELIANCE COMMERCIAL FINANCE – GROSS NPLS DECLINE BY 63% YOY

**RELIANCE LIFE INSURANCE – TOTAL FUNDS UNDER MANAGEMENT
RS. 17,355 CRORE (US\$ 4 BILLION) – UP 50%**

**RELIANCE LIFE INSURANCE DID NOT REQUIRE CAPITAL INFUSION
THIS QUARTER**

**LOSS IN GENERAL INSURANCE REDUCED TO RS. 24 CRORE (US\$ 5 MILLION)
– 14% DECREASE FROM PREVIOUS QUARTER**

Mumbai, February 12, 2011: Reliance Capital Limited (RCL) today announced its un-audited financial results for the quarter ended December 31, 2010. The performance highlights are:

Consolidated – Quarter ended December 31, 2010

- **Total income of Rs 1,368.9 crore (US\$ 305 million)**, against Rs 1,488.8 crore in the corresponding period
- **Net profit of Rs 106.3 crore (US\$ 24 million)**, against Rs 63.2 crore in the corresponding period – **an increase of 68%**

- **Entire profits** of Reliance Capital were contributed **by the core businesses. No capital gains** were booked in the quarter
- **Earnings per share of Rs. 4.36** (US\$ 0.10) against Rs **2.57** in the corresponding period, **an increase of 69%**

Net worth:

As on December 31, 2010, **the net worth** of the company stood at **Rs 8,126.2 crore (US\$ 2 billion) – an increase of 4%**.

The company ranks among the top 4 Indian private sector financial services groups in terms of net worth.

Credit Rating:

The Company had a **net debt equity ratio of 1.98** as on December 31, 2010, and enjoys the highest top-end ratings of 'A1+' and 'F1+' by ICRA and FITCH, respectively.

Operational Review:

As on December 31, 2010, the **total assets of the company stood at Rs 30,392.9 crore (US\$ 7 billion) – an increase of 26%**

The investment portfolio of listed equities as on December 31, 2010, amounted to **Rs. 1,667.6 crore (US\$ 372 million)**, at cost.

The company has **not raised any fixed deposits** from the public.

Group Companies:

Reliance Capital Asset Management (RCAM)

Reliance Mutual Fund (RMF)

- Reliance Capital Asset Management managed **Rs. 1,41,873 crore (US\$ 32 billion)** as on December 31, 2010, across mutual funds, pension funds, managed accounts and hedge funds, as against Rs. **1,40,864** crore as on December 31, 2009 – **an increase of 1%**
- **Reliance Mutual Fund (RMF)** continues to be the market leader and is ranked **as India's No. 1 Mutual Fund** in terms of AUM, with **market share of over 15%**
- The average assets under management (AAUM) of RMF, stood at **Rs. 1,02,066 crore (US\$ 23 billion)** for the quarter ended December 31, 2010 from Rs **1,19,982** crore for the corresponding previous period
- The focus continues to be on the untapped retail opportunity across all asset classes

Capital

- The number of **Systematic Investment Plan (SIP)** and **Systematic Transfer Plan (STP) folios** has grown **74%** YoY to **18.5 lakhs** as on December 31, 2010. RMF added an average of **1 lakh** SIPs every month during the quarter
- The number of **investors folios** at the end of December 31, 2010 were **72.3 lakhs**, amongst the highest in the private sector mutual funds with a **market share of 15.5%**
- The **long term debt assets** increased to **19.2% of total debt AUM** as on December 31, 2010 as against **5.7%** as on December 31, 2009
- RCAM's **income from its operations was Rs 186 crore (US\$ 41 million)** for the quarter ended December 31, 2010, as against Rs **196** crore for the corresponding previous period
- The **profit before tax of RCAM was Rs 91 crore (US\$ 20 million)** for the quarter ended December 31, 2010, as against Rs. **74** crore for the corresponding previous period – **an increase of 23%**
- RMF had a wide distribution network across over **200** cities and **75,000** touch points in the country, as on December 31, 2010

Reliance Life Insurance

- Reliance Life Insurance (RLI) is among the **leading private sector life insurance players in terms of new business premium** with a **market share of 8.0%** of the private sector
- The **Total Premium was Rs. 1,447 crore (US\$ 323 million)** for the quarter as against Rs. 1,603 crore in the corresponding previous period, in line with industry trends
- **Renewal Premium was at Rs 857 crore (US\$ 191 million)** for the quarter ended December 31, 2010 as against Rs **686** crore in the corresponding previous period, **an increase of 25%**
- The **total funds under management** as on December 31, 2010 **increased to Rs. 17,355 crore (US\$ 4 billion)** as against Rs. **11,546** crore for the corresponding previous period – **an increase of 50%**
- During the quarter, **no capital infusion** was required by the business. The **capital invested till date** in this business, is **Rs. 3,094 crore (US\$ 690 million)**
- The **number of policies sold** during the quarter were **3,08,923** as against **6,88,979** for the corresponding previous period
- The **distribution network** was steady at **1,248 branches** at the end of December 31, 2010
- The **number of agents** at the end of December 31, 2010 was as **2,15,952** as against **1,62,843** agents at the end of December 31, 2009, **an increase of 33%**

Reliance Commercial Finance

- Reliance Commercial Finance (RCF) offers a wide range of products which include Home loans, Loans against property, SME loans, Commercial Vehicle loans and loans for Construction equipment
- RCF is amongst the leading lenders in the Indian non banking finance space. The focus in this business continues to be on asset backed lending and de-emphasise unsecured loans. As on December 31, 2010, **95% of the loan book was secured**, a significant improvement from **79%** as on December 31, 2009
- RCF achieved a **profit before tax of Rs. 79 crore (US\$ 18 million)** for the quarter, as against Rs **38 crore** for the corresponding previous period **an increase of 108%**
- The **net interest income** for the quarter ended December 31, 2010 was **Rs. 134 crore (US\$ 30 million)** as against Rs. **112 crore** for the corresponding previous period, **an increase of 19%**
- The **provisions** decreased significantly to **Rs. 28 crore (US\$ 6 million)** for the quarter ended December 31, 2010 from Rs. **68 crore** for the corresponding previous period, **a decrease of 59%** as the **gross NPLs declined 63% YoY**
- The **disbursements** for the quarter ended December 31, 2010 **were Rs 2,345 crore (US\$ 523 million)** as against Rs **1,442 crore** for corresponding previous period, **an increase of 63%**
- As on December 31, 2010, the **assets under management** (including securitized portfolio) was Rs. **12,348 crore (US\$ 3 billion)** as against Rs. **9,517 crore** as on December 31, 2009 – **increase of 30%**
- The outstanding **loan book** as on December 31, 2010 was at **Rs 10,686 crore (US\$ 2 billion)**, against Rs **7,788 crore** as on December 31, 2009, **an increase of 37%**. This loan book is spread **across 1,15,351 customers** from top **18 Indian metros**

Reliance Securities

- Reliance Securities is the broking arm of Reliance Capital, providing the retail investor access to equities, mutual funds, IPOs, wealth management, and investment banking
- The business generated **revenues of Rs 39 crore (US\$ 9 million)** for the quarter ended December 31, 2010 as against Rs. **22 crore** for the corresponding previous period – **an increase of 75%**
- **Profit before tax** was **Rs. 4 crore (US\$ 1 million)** for the quarter ended December 31, 2010, as against Rs. **0.1 crore** for the previous corresponding period

Distribution business

- The distribution business of Reliance Capital, branded as 'Reliance Money' is a comprehensive financial services and solutions provider, providing customers with access to insurance products, gold coins, money changing and money transfer
- Reliance Money is amongst the **leading domestic distributors of financial products** with a pan India presence of nearly **6,200 outlets**
- The business generated **revenues of Rs 27 crore (US\$ 6 million)** for the quarter ended December 31, 2010 as against Rs. **31 crore** for the corresponding previous period
- **Profit before tax** for the quarter ended December 31, 2010 was **Rs. 7 crore (US\$ 2 million)**, as against a loss of Rs. **0.1 crore** for the previous period

Reliance General Insurance

- Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other speciality products
- RGI is amongst the leading private sector general insurance companies in India (in terms of gross written premium). It has a **market share of 9.6%** of the Indian private sector general insurance industry
- The focus at RGI is writing profitable business and not just growth. In line with this, the **Gross Written Premium** for the quarter ended December 31, 2010 was **Rs. 418 crore (US\$ 93 million)** as against Rs. **371 crore** for the quarter ended September 30, 2010, **an increase of 13%**
- RGI continued to bring down the losses by discontinuing unprofitable business segments and re-pricing its health products. **Loss for the quarter was reduced to Rs. 24 crore (US\$ 5 million)** from a loss of Rs. **28 crore** for the quarter ended September 30, 2010, **a decline of 14%**
- During the quarter, no capital infusion was required as against **Rs. 47 crore** in the quarter ended September 30, 2010. The **total capital invested till date is Rs. 1,149 crore (US\$ 256 million)**
- RGI had a **distribution network of 200 branches** and over **4,000** intermediaries, at the end of December 31, 2010

Update on other businesses

- Reliance ExchangeNext (R Next)**, a subsidiary of Reliance Capital, has received the necessary regulatory approvals to acquire 26%, as an anchor investor, in the Indian Commodity Exchange Ltd (ICEX), a screen based online derivative exchange for commodities. ICEX has pedigreed investors and with this, Reliance Spot Exchange (RSX) will be able to offer comprehensive range of integrated products. ICEX will enable physical delivery to its members while RSX members can hedge their positions, creating immense benefit for the members of both exchanges and upgrade the existing ecosystem
- Reliance Asset Reconstruction** which is in the business of acquiring, managing and resolving distressed assets, managed assets of **over Rs 308 crore (US\$ 69 million), 15-fold YoY increase**

Shareholding Pattern as on December 31, 2010:

Category	No. of Shares	Shareholding (%)
Reliance Anil Dhirubhai Ambani Group	13,29,82,274	54.1%
Foreign Investors – FIIs, NRIs and others	5,47,71,227	21.2%
Domestic institutions/ Banks/ Mutual Funds	1,21,51,540	4.9%
Indian public	4,57,27,759	19.8%
TOTAL – 1.3 million shareholders	24,56,32,800	100.0%

Background:

Reliance Capital Ltd is a part of the Reliance - Anil Dhirubhai Ambani Group and is one of India's leading private sector financial services companies, and ranks among the top 4 private sector financial services and banking groups, in terms of net worth.

As on March 31, 2010, the Reliance Anil Dhirubhai Ambani Group had total assets of over Rs. 1,80,000 crore (US\$ 39 billion) and net worth in excess of Rs 83,000 crore (US\$ 19 billion).

Reliance Capital has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking, depository services, distribution of financial products, investment banking, wealth management services, Commercial finance, exchanges and other activities in financial services.