

MEDIA RELEASE

RELIANCE CAPITAL REPORTS CONSOLIDATED TOTAL OPERATING INCOME OF RS. 1,573 CRORE (US\$ 323 MILLION) FOR THE QUARTER – AN INCREASE OF 36%

RELIANCE CAPITAL REPORTS CONSOLIDATED NET PROFIT OF RS. 132 CRORE (US\$ 27 MILLION) FOR THE QUARTER - AN INCREASE OF 11%

RELIANCE CAPITAL REPORTS CONSOLIDATED TOTAL OPERATING INCOME OF RS. 4,429 CRORE (US\$ 991 MILLION) FOR THE NINE MONTHS – AN INCREASE OF 35%

RELIANCE CAPITAL REPORTS CONSOLIDATED NET PROFIT OF RS. 704 CRORE (US\$ 158 MILLION) FOR THE NINE MONTHS– AN INCREASE OF 9%

TOTAL ASSETS OF RS 22,340 CRORE (US\$ 4.6 BILLION)

NET WORTH OF Rs. 7,250 CRORE (US\$ 1.5 BILLION) – RANKS AMONG THE TOP 3 INDIAN PRIVATE SECTOR FINANCIAL SERVICES GROUPS

Mumbai, January 20, 2009: Reliance Capital Limited (RCL) today announced its unaudited financial results for the quarter ended December 31, 2008. The performance highlights are:

Consolidated – Quarter

- **Total operating income of Rs 1,572.9 crore** (US\$ 323 million), against Rs 1,155.6 crore in the corresponding period, **an increase of 36%**
- **Net profit of Rs 131.5 crore** (US\$ 27 million), against Rs 118.1 crore in the corresponding period, **an increase of 11%**
- **Earnings per share of Rs 5.45** (US\$ 0.1) as against Rs 4.86 in the corresponding period, **an increase of 12%**

Consolidated – Nine months

- **Total operating income of Rs 4,429.2 crore** (US\$ 991 million), against Rs 3,283.3 crore in the corresponding period, **an increase of 35%**
- **Net profit of Rs 704.0 crore** (US\$ 158 million), against Rs 643.5 crore in the corresponding period, **an increase of 9%**
- **Earnings per share of Rs 28.76** (US\$ 0.6) against Rs 26.06 in the corresponding period, **an increase of 10%**

Net worth:

As on December 31, 2008, the **net worth of the company stood at Rs 7,249.6 crore (US\$ 1.5 billion)**.

The company ranks among the top 3 Indian private sector financial services groups in terms of net worth.

Credit Rating:

The Company has a **debt equity ratio of 1.8** as on December 31, 2008, which remains unchanged from September 30, 2008. It enjoys the **highest** top-end ratings of '**A1+**' and '**F1+**' by ICRA and FITCH, respectively for its short term borrowing program and '**CARE AAA**' for its long term borrowing program.

Operational Review:

As on December 31, 2008, the **total assets of the company stood at Rs 22,339.6 crore (US\$ 4.6 billion).**

The investment portfolio of listed equities as on December 31, 2008, amounted to Rs 1,802.6 crore (US\$ 372 million), at cost.

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

Group Companies:

Reliance Mutual Fund (RMF)

Reliance Capital Asset Management (RCAM)

- The assets under management (AUM) of the entire Indian mutual fund industry went from Rs. 550,657 crore at the end of December 31, 2007 to Rs. 421,116 crore at the end of December 31, 2008 – **a decrease of 23%**. During the same period, the AUM of RMF was at **Rs. 70,230 crore (US\$ 15 billion)** as on December 31, 2008 from Rs. 78,906 crore as on December 31, 2007 – a decrease of 11%
- RMF's market share went up from 14.7% to **16.7%**. **Reliance Mutual Fund (RMF)** continues to be the market leader and is ranked as India's **No. 1 Mutual Fund in terms of AUM**
- The number of investors increased from 43.7 lakhs as on December 31, 2007 to **71.2 lakhs** as on December 31, 2008 - highest amongst the private sector mutual funds
- The **net profit of RCAM was Rs. 26 crore (US\$ 5 million)** for the quarter under review as against Rs. 19 crore for the corresponding previous period, an **increase of 36%**

Reliance Life Insurance (RLI)

- **RLI is amongst the top five** (in terms of new business premium) **life insurance companies in India**
- The **New Business Premium Income** was **Rs 830 crore (US\$ 170 million)** for the quarter as against Rs 736 crore in the corresponding previous period, **an increase of 13%**, against a flat premium growth reported by the industry

- At the end of December 31, 2008, RLI had a distribution network of 1,145 branches against 736 branches at the end of December 31, 2007
- The policyholders funds under management increased to Rs. 4,495 crore (US\$ 929 million) as on December 31, 2008 against Rs. 2,286 crore as on December 31, 2007 – a growth of 57%
- During the quarter, Rs. 326 crore (US\$ 67 million) of capital was infused in RLI, taking the total capital infusion till date to Rs. 2,525 crore (US\$ 521 million)
- RLI offers 35 products, of which 27 are targeted to individuals and 8 to group business. Reliance Life is committed to attaining leadership rankings in the industry within the next few years

Reliance General Insurance (RGI)

- **RGI is amongst the top three** (in terms of gross written premium) **private sector General insurance companies in India**
- **The Gross Direct Premium** for the quarter ended December 31, 2008 was **Rs. 510 crore (US\$ 105 million)** as against Rs. 578 crore in the corresponding previous period – a decline of 12%. The pace of growth was slow due to the general economic slowdown and our focus on improving profitability and not topline growth.
- RGI, on its path to profitability, **brought down the loss to Rs. 12 crore (US \$ 2 million)** for the quarter ended December 31, 2008 from Rs. 54 crore of the corresponding previous period
- RGI offers property insurance, engineering insurance, auto insurance, health insurance, travel insurance, marine insurance, commercial insurance and other specialty insurance products

Reliance Money

- In less than two years, Reliance Money has emerged to be the largest brokerage and distributor of financial products in India with 2.8 million customers and the largest distribution network of **10,392 outlets in 5,165 locations**
- Reliance Money generated revenues of **Rs. 102 crore (US\$ 21 million)** for the quarter ended December 31, 2008 as against Rs. 64 crore of the corresponding previous period, **an increase of 60%**. For the same period, it achieved a net profit of **Rs. 22 crore (US\$ 5 million)** as against Rs. 5 crore – **an increase of 356%**
- The daily average volume on the stock exchanges was maintained at Rs. 2,200 crore, which translated into a market share of 3.5%
- Reliance Money is a comprehensive financial services and solutions provider, providing customers with access to equities, equity options and commodities futures, wealth management, portfolio management services, mutual funds, IPOs, life and general insurance products, offshore investments, credit cards, money transfer, currency exchange and gold coins

Reliance Consumer Finance (RCF)

- Reliance Consumer Finance offers a wide range of products which include Personal loans, Vehicle loans (car and commercial), Home loans, Loan against property and SME loans
- As on December 31, 2008, the loan book was brought down to **Rs. 8,902 crore (US \$ 1.8 billion)**, as against Rs. 9,513 crore as on September 30, 2008
- RCF generated revenues of **Rs. 322 crore (US\$ 66 million)** for the quarter ended December 31, 2008, as against Rs. 139 crore for the corresponding previous period – **an increase of 135%**
- RCF declared a profit of **Rs. 14.6 crore (US \$ 3 million)** for the quarter ended December 31, 2008, as against Rs. 26.4 crore for the corresponding previous period. RCF reduced further disbursements during the quarter, due to the high cost of borrowing and higher risk perception – impacting the profitability of the business

Other developments

- Reliance Capital received approvals from RBI & National Housing Bank to set up separate subsidiaries for consumer finance and home finance respectively
- With effect from January 12, 2009, the Company was also included in the S&P CNX Nifty – a leading index for large companies on National Stock Exchange

Background:

Reliance Capital Ltd is a part of the Reliance - Anil Dhirubhai Ambani Group and is a constituent of S&P CNX Nifty and MSCI India.

The Reliance Anil Dhirubhai Ambani Group currently has a market capitalization of over Rs 112,000 crore (US\$ 24 billion), net worth in excess of Rs. 58,000 crore (US\$ 12 billion), cash flows of Rs. 12,000 crore (US\$ 3 billion), net profit of Rs. 8,000 crore (US\$ 2 billion) and zero net debt.

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 groups, 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, depository services, distribution of financial products, consumer finance and other activities in financial services.