

**Reliance Power Limited**  
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**RELIANCE POWER BOARD APPROVES FREE BONUS IN RATIO OF 3:5  
TO ALL SHAREHOLDERS (EXCLUDING THE PROMOTER GROUP)**

**PROPOSAL WILL REDUCE COST OF RELIANCE POWER SHARES:**

**RS. 269 FOR RETAIL SHAREHOLDERS: 40% LOWER THAN IPO PRICE  
RS. 281 FOR OTHER SHAREHOLDERS: 37% LOWER THAN IPO PRICE**

**ANIL D. AMBANI TO PROTECT RELIANCE ENERGY FROM  
ANY DILUTION, BY CONTRIBUTING PERSONAL SHAREHOLDING OF 2.6%**

**RELIANCE ENERGY SHAREHOLDING IN RELIANCE POWER  
TO BE MAINTAINED AT EXISTING LEVEL OF 45%**

**ANIL D. AMBANI STAKE IN RELIANCE POWER  
TO REDUCE BY 5% FROM 45% TO APPROX. 40%**

**CONTRIBUTION OF NEARLY RS. 5,000 CRORE (US\$ 1.2 BILLION) BY  
ANIL D. AMBANI IN FAVOR OF NEARLY 6 MILLION INVESTORS**

**Mumbai, February 24, 2008:** Reliance Power Ltd. has informed the stock exchanges that at a meeting held today, its Board of Directors has approved a **proposal for issuing free bonus shares to all categories of shareholders, excluding the promoter group** (comprising of Reliance Energy Ltd. and the ADA Group), in the ratio of 3 shares for every 5 shares held, subject to necessary approvals.

The proposed bonus offering **will result in reduction of the cost of Reliance Power shares below the IPO price as follows:**

**Rs. 269 per share for retail investors, 40% lower than the IPO price of Rs. 430.  
Rs. 281 per share for other investors, 37% lower than the IPO price of Rs. 450.**

In a related development, **Mr. Anil D. Ambani, Chairman, Reliance ADA Group, today simultaneously announced a voluntary contribution of 2.6% of his shareholding in Reliance Power to Reliance Energy Ltd., to protect the company from any dilution of its existing 45% stake in Reliance Power, as a result of the bonus proposal.**

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**Accordingly, Reliance Energy's stake in Reliance Power will be maintained at the existing level of 45%, and the revised shareholding pattern of Reliance Power will be as follows:**

	<b>Existing</b>	<b>Proposed</b>
<b>Anil D. Ambani</b>	45%	40%
<b>Reliance Energy</b>	45%	45%
<b>Public shareholders</b>	10%	15%

**The reduction of Mr. Ambani's shareholding in Reliance Power by 5% from 45% to 40%, represents a contribution of nearly Rs. 5,000 crore (US\$ 1.2 billion) by him, in favor of nearly 6 million investors in Reliance Energy and Reliance Power.**

Commenting on the move, **Mr. Ambani said, "I have been personally concerned by the notional losses arising to millions of long term investors in Reliance Power, as a result of a dramatic adverse change in sentiment in global and domestic capital markets, subsequent to the pricing of our IPO.**

**Though equity shares are by their very nature risk-bearing instruments, nevertheless, we have taken these one-time and unprecedented measures today, in demonstration of our philosophy of endeavoring to protect and enhance value for all our long-term shareholders."**

Based on the proposal for issuance of bonus shares, the paid up share capital of the company will stand increased to 239.7 crore equity shares of Rs. 10 each.

Reliance Power's IPO closed on January 18, 2008, receiving an overwhelming and record breaking response, with **commitments of nearly Rs. 7,50,000 crore (US\$ 190 billion)**, from nearly 500 institutional investors across the globe, and 5 million retail investors.

Reliance Power has the world's largest shareholder family of **nearly 500 overseas and domestic institutional investors, and over 4 million retail investors.**

Reliance Power has a **market capitalization of over Rs. 94,000 crores (over US\$ 23 billion) – among India's 10 most valuable private sector companies**, and a **net worth of nearly Rs. 14,000 crore (over US\$ 3.5 billion) – among the top 5 private sector companies in India on this parameter.**

**Reliance Power is implementing power projects with aggregate capacity of over 28,000 MW, by far the largest development pipeline in the country.**