



Reliance

Industries Limited

Growth is Life

RIL – RPL Merger Analyst Presentation

2 March 2009





Business Highlights



Reliance Industries



- India's largest private sector enterprise with strong financials:
 - Revenue exceeds \$ 33 billion*
 - Exports of about \$ 21 billion*
 - EBITDA of over \$ 5 billion*
- Significant global player in Refining and Petrochemicals - contribute 98% to revenues
- RIL at an inflection point
 - Production of gas and oil from KG D6 to double India's gas availability
 - Investment in a world-class, complex refinery asset

RIL is India's most valuable company

Global Ranks (Fortune Global 500)

Criteria	Global Ranking	
	2008	2007
Net Sales	206	269
Net Worth	161	190
Total Assets	273	299
Net Profit	103	179

Robust Growth Since IPO



	FY 1977	FY 2002-03	FY 2007-08	CAGR %	CAGR %
<i>(in US\$ Million)</i>				31 Years	5 Years
Turnover	76	13,701	34,713	22%	20%
Net Profit	3	864	3,804	26%	35%
Cash Profit	5	1,593	6,282	26%	32%
Total Assets	38	13,422	37,348	25%	23%
NetWorth	11	6,387	20,311	27%	26%
Exports	7	2,424	20,811	29%	54%
Market Cap*	11	8,129	39,507	30%	37%

Data of as on March 31 each year; * Market Cap data as on 27th February 2009

Consistent growth through business cycles

Net Profit increase greater than 20% per annum in any 5-year period since IPO

RIL Refining – Mantras for Success



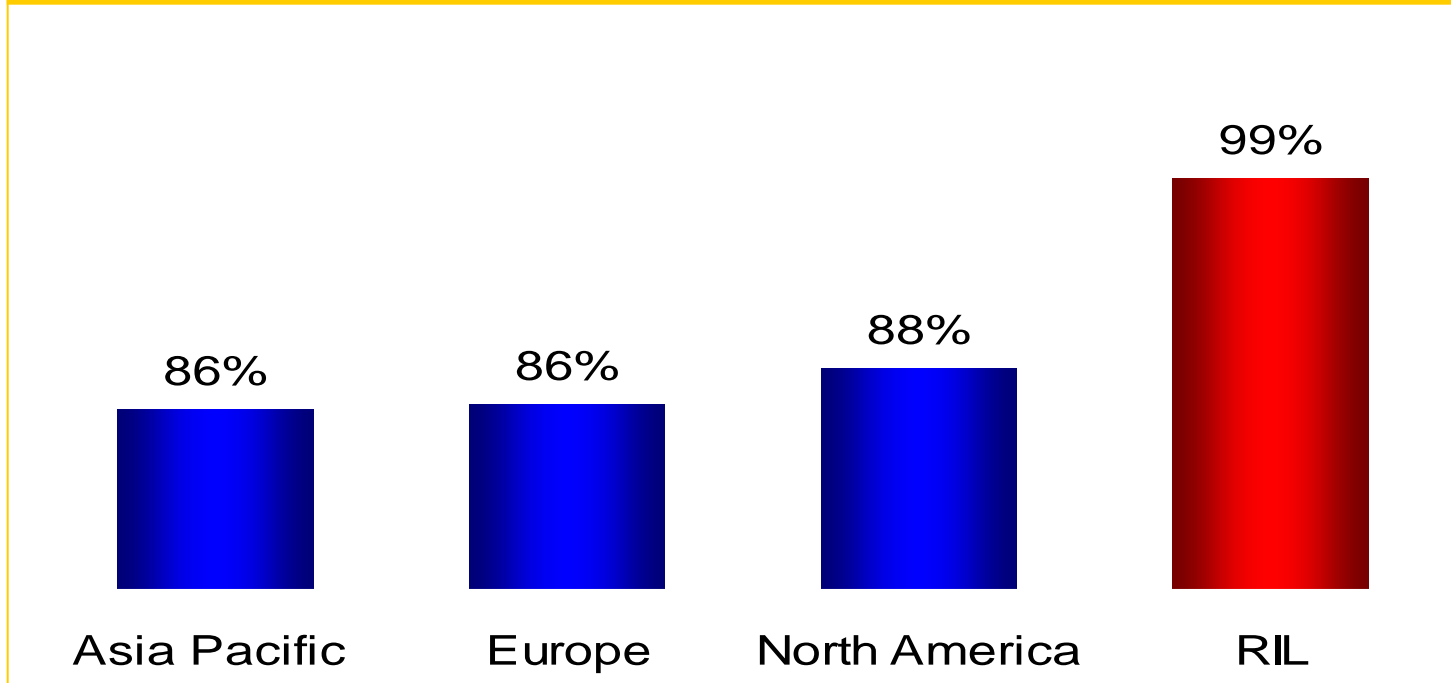
- In 1999, RIL commissioned a large, world class, complex refinery in record time at competitive capital cost
- Created industry benchmarks across various operating parameters
- Product slate designed to cater to fast growing transportation fuels segment and stringent product specifications, across regions
- Processed over 80 heavy/sour crude variants from across the world
- Consistently demonstrated higher GRMs compared to global benchmarks

RIL has an enviable track record in its decade long refining operations

RIL: Unparalleled Refining Efficiency



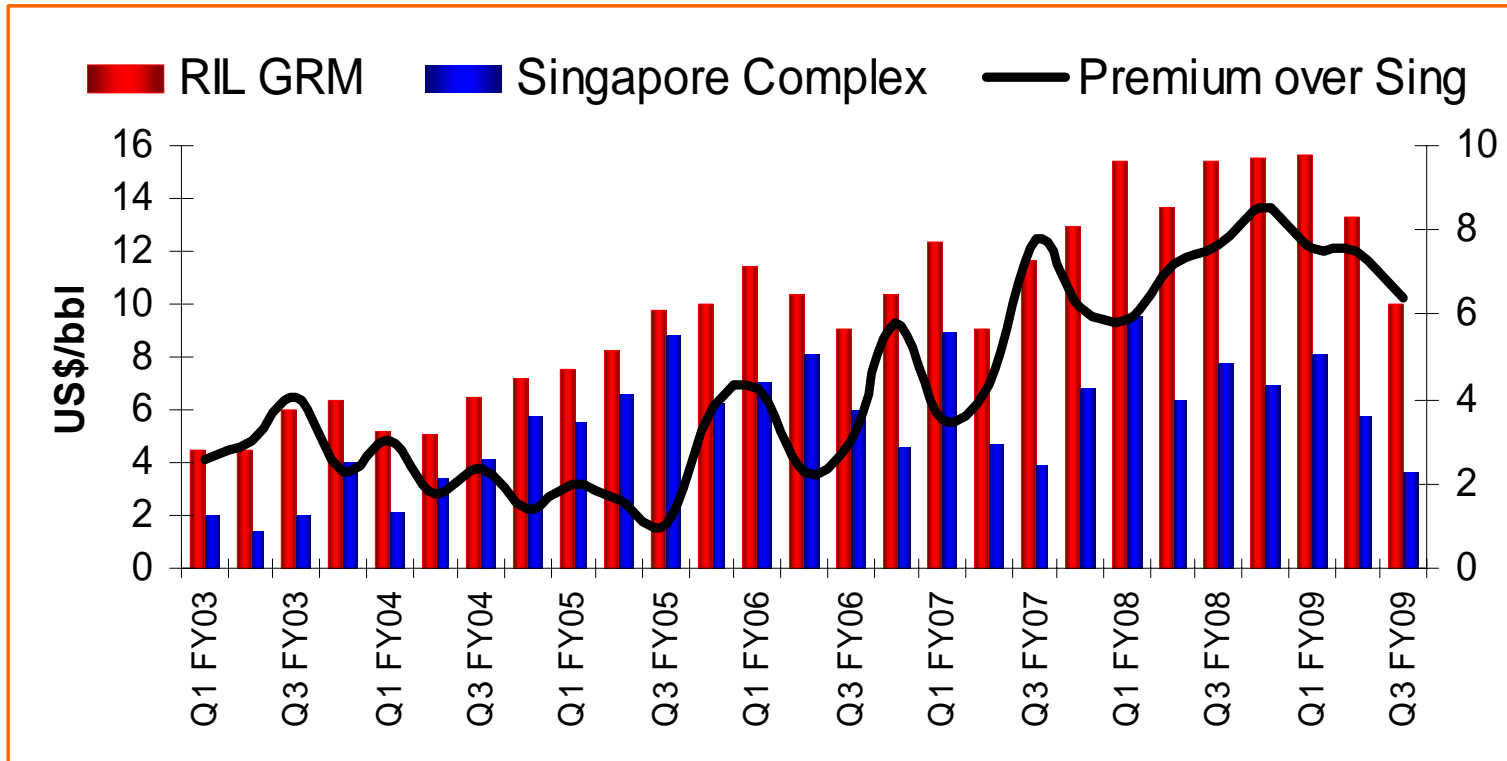
Average Capacity Utilization (%) - 2001-2008



Source: BP Statistical Review

Premium quality of assets enabled consistent highest operating rate

RIL's Refining Performance



Cracking margins Source: Reuters / Company Data

High quality of refining asset and operations resulting in consistent and superior performance across business cycles

RPL Highlights



- Crude processing capacity of 580,000 barrels/day, completed in a record time of 36 months
- Higher complexity: Nelson Complexity Index of 14.0
 - Among the top 5% refineries globally with capability to process ultra-heavy crude (Average API of 24)
 - Built to supply ultra-clean fuels to meet the world's evolving needs
 - Focus on high growth transportation fuel segment
- Lowest US\$/complexity-barrel cost among recently built refinery projects
- Crude refining commenced on 25th Dec '08 and first parcel of product exported in Jan '09

World class refinery with minimal project risk; ready to deliver superior returns



Merger Highlights



Merger Rationale



- Unlock synergies from combined operations
 - Crude sourcing, Product placement, Supply Chain Optimization
- Greater flexibility in operations planning
- Expansion of refined product range
- Optimized utilization of secondary process units and infrastructure
- Efficient utilization of combined cash flows
- Integrated energy companies consistently get higher valuations vis-à-vis pure refiners; Mitigate Holding Company discount
- EPS accretive

RIL to enhance its competitiveness in energy value chain

Merger Rationale



Diversified businesses

- Oil & gas, refining and marketing, petrochemicals, organized retail and developmental of SEZ
- Wider avenues for fund deployment

State of the art Refinery

- Superior product slate with higher margins
- Operating in cyclical industry



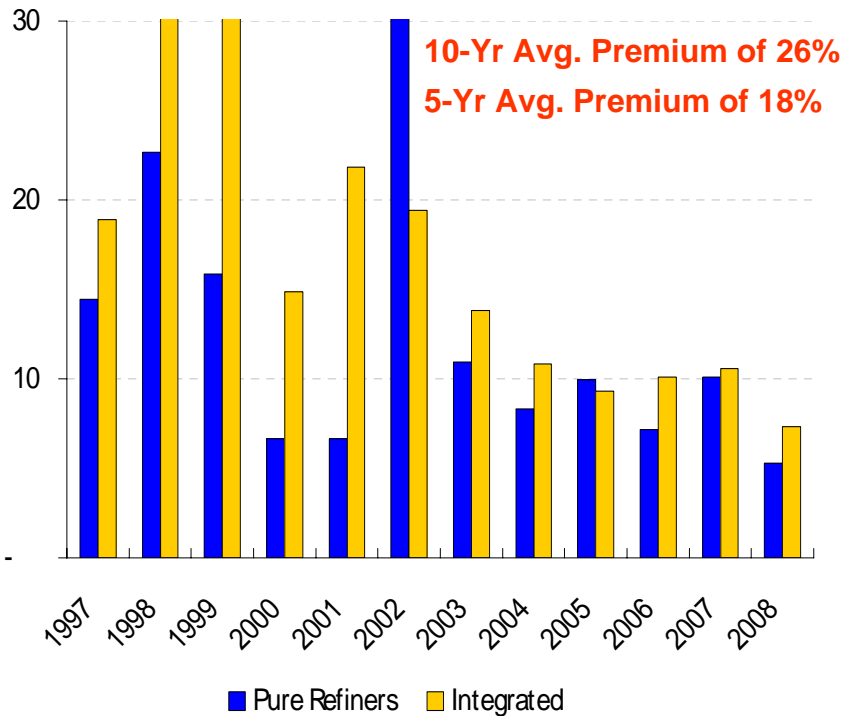
Amalgamated Entity

- RPL transforms into a diversified business with less cyclicity
- RIL shareholders benefit from participating in state of the art refinery without execution risk
- Mitigate holding company discount
- Integrated company valuation versus standalone refinery

Integrated vs Standalone - Historical

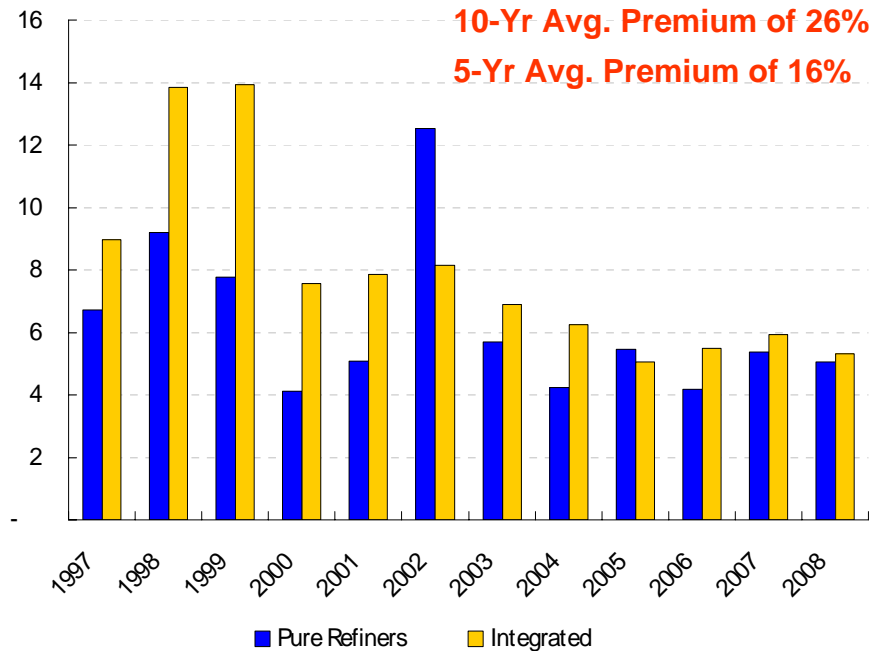


PE Ratio



Source: Bloomberg

EV / EBIDTA

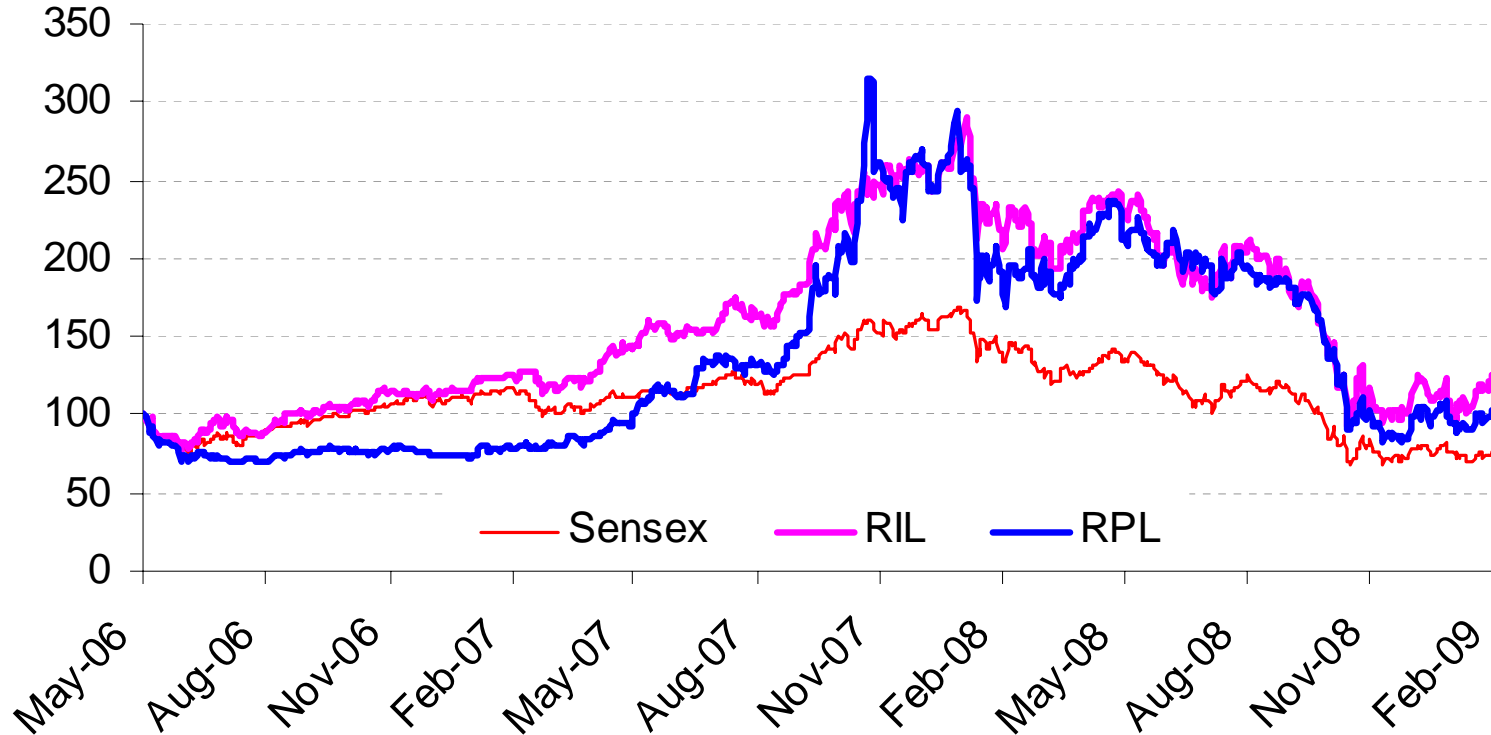


On a longer-term, sustainable basis, markets ascribe superior valuations to integrated energy companies vis-a-vis standalone refiners

RIL vs RPL - Historical



Indexed Stock Performance



Source: Bloomberg

RIL and RPL have outperformed the Sensex since RPL IPO

RIL's superior performance relative to RPL demonstrates its evolution as a world-class integrated energy company

Current Valuations



	PER (x)		EV/EBIDTA (x)		PBV (x)	
	CY09 / FY09	CY10 / FY11	CY09 / FY09	CY10 / FY11	CY09 / FY09	CY10 / FY11
Reliance Industries	9.7	7.9	7.5	6.1	1.5	1.2
Reliance Petroleum	7.0	5.0	6.1	4.4	2.3	1.7
Asian Refiners	9.9	7.4	6.5	4.1	1.3	1.1
European Refinerw	10.7	9.5	4.7	4.5	0.7	0.6
US Refiners	8.8	6.6	4.7	3.6	1.4	0.9
Global Refining Average	9.8	7.8	5.3	4.1	1.1	0.9
Asian Integrated	11.4	9.2	6.6	5.1	1.2	1.1
European Integrated	13.6	9.8	5.8	4.5	1.6	1.5
US Integrated	16.9	8.9	5.7	4.0	1.5	1.4
Global Integrated Cos.	14.0	9.3	6.0	4.5	1.4	1.3
Premium over Pure Refiners	43%	19%	14%	11%	28%	49%

Source: Bloomberg / Analyst Research; Based on 27-Feb-09 Prices

Current valuation reflects premium for integrated players across all parameters

Merger Details



- Appointed date of 1st April 2008
- Merger ratio of 1 share of RIL for every 16 shares of RPL
- RPL shares held by RIL to be cancelled. No fresh treasury stock created
- RIL to issue 6.92 crore shares to RPL shareholders
- 4.4% increase in equity base from Rs 1,574 crore shares to Rs 1,643 crore
- Promoter holding in RIL will reduce from 49% to 47%

Advisors



- Valuation Advisors
 - Ernst & Young Pvt. Ltd. And
 - Morgan Stanley India Co. Pvt. Ltd.
- Transaction Advisors
 - J.M. Financial Services Pvt. Ltd. and
 - Kotak Mahindra Capital Co Ltd.
- Fairness Opinion
 - DSP Merrill Lynch Ltd. (for RIL) and
 - Citigroup Global Markets India Pvt. Ltd (for RPL)
- Legal Advisor
 - Amarchand & Mangaldas & Suresh A. Shroff & Co.
- Tax Advisor
 - PriceWaterhouse and Coopers Pvt. Ltd.

RIL Shareholding



	Dec-08	Post Merger
Promoter Group	49.0	47.0
Held by RIL Subsidiaries	6.0	5.7
Banks and FIs	6.5	6.9
Mutual Funds	2.5	2.7
FIs	15.5	15.1
GDRs	3.7	3.6
Public	16.7	19.0
TOTAL	100.0	100.0

Merger results in the creation of the world's largest shareholder family of around 3.7 million shareholders; Promoters diluted by 2%.

Impact of Merger Proposal



- RIL among top 10 private sector refining companies globally
- Will own 2 of the world's 3 largest, most complex modern refineries
- Will be the world's largest producer of ultra-clean fuels at a single location
- Among 50 most profitable companies globally
- Among five largest producers of Polypropylene

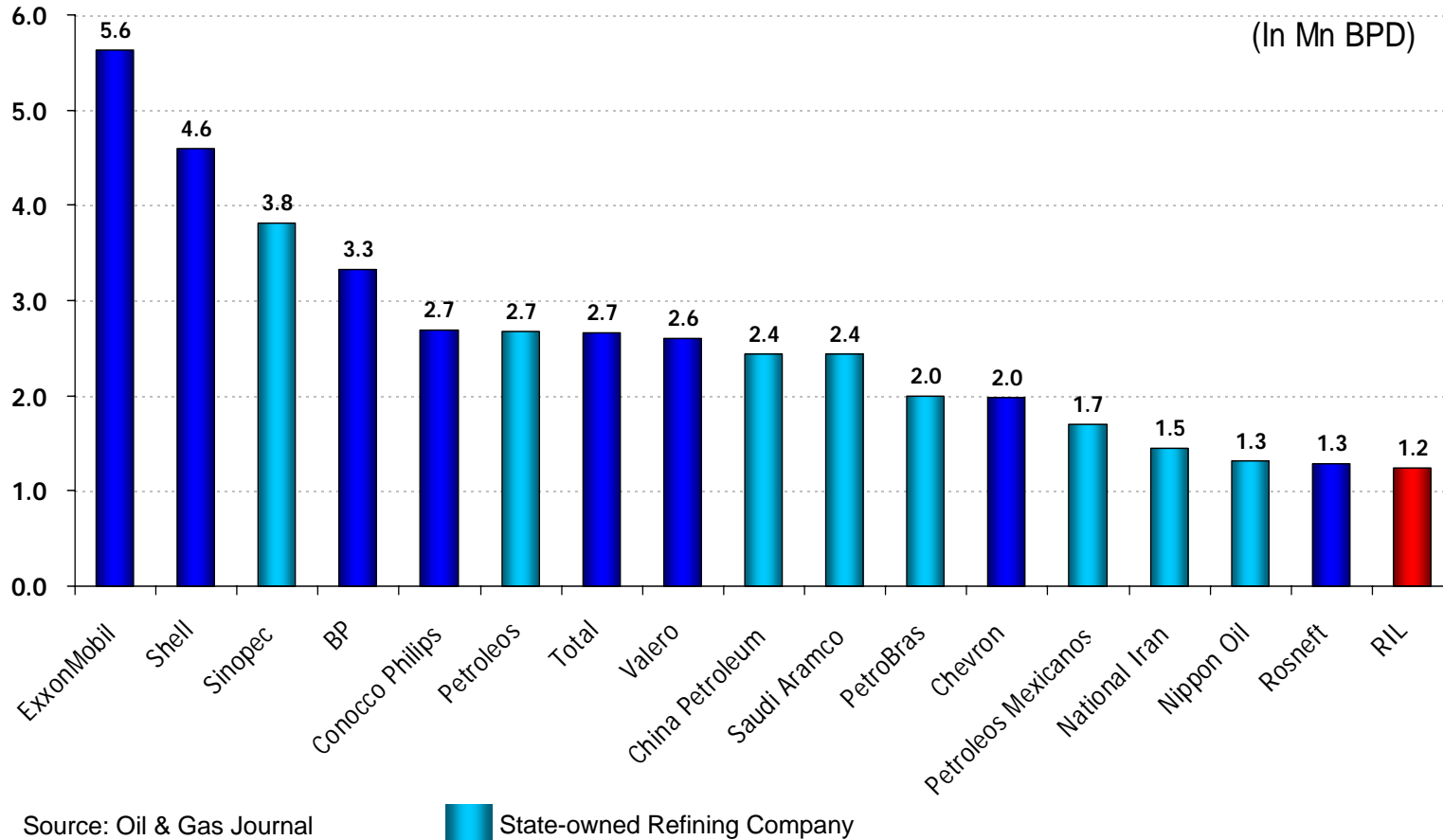
Providing the growth platform for creating value-accretive downstream opportunities



Post Merger Highlights



World's Largest Refining Companies



RIL to be amongst Top 10 non-state owned refining companies globally

RIL has doubled its refining capacity with focus on scale and complexity

World's Most Complex Refineries



Company	Location	CDU Capacity (KBPSD)	Nelson Complexity Index
CONOCO	IMMINGHAM	170	16.8
ULTRAMAR DIAMOND	MARTINEZ	108	16.6
SHELL / TEXACO	MARTINEZ	151	15.1
EXXONMOBIL	TORRANCE	130	14.9
BP-AMOCO	TEX.CITY	433	14.2
RIL - SEZ	JAMNAGAR	580	14.0
CITGO (PDVSA)	CORP.CRISTEX	133	13.8
CHEVRON USA	RICHMOND	229	13.7
BP-AMOCO CORP	TOLEDO	137	13.4
OBERRHEINISCHE	KARLSRUHE	116	13.4
VALERO ENERGY CORP.	BENICIA	128	13.3
SHELL/TEX / S.ARAMCO	DEL.CITY	140	13.1
MARAVEN	CARDON	286	12.8
PHILLIPS CO.	BORGER	125	12.7
LYONDELL CITGO REF	HOUSTON	265	12.7
CHEVRON USA INC.	PASCAGULAMSS	295	11.9
SHELL OIL CO. USA	DEER PK	268	11.4
RIL - EOU	JAMNAGAR	660	11.3
CITGO PETR.CORP	LAKE CHARLOU	320	11.2
KOCH REFINING CO.	ROSEMOUNT	262	11.1
Total		4,936	

Source: IEA

Reliance owns 25% of World's most complex refining capacity

Top 5 Complex Refineries Globally

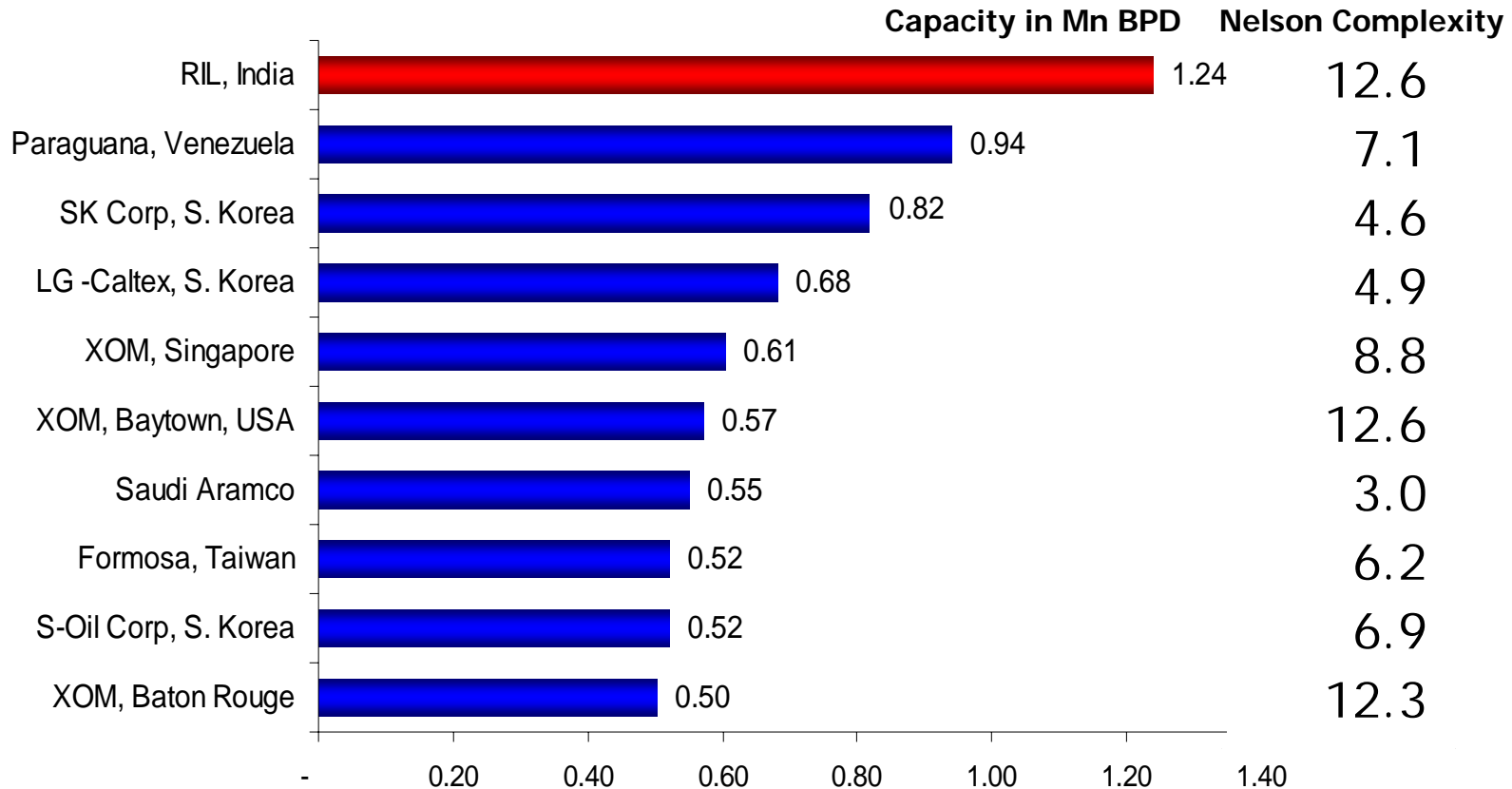


Company	Location	CDU Capacity kbp/d	Nelson Complexity Index
BP	Texas City	433	14.2
RIL SEZ	Jamnagar	580	14.0
RIL EOU	Jamnagar	660	11.3
Citgo	Lake Charles	320	11.2
Exxon Mobil	Baytown	428	10.9
Exxon Mobil	Beaumont	320	10.8

Source: IEA

Reliance owns 2 of the 3 largest complex refineries

Creating the Refining Hub of the World



Source: Oil & Gas Journal, Dec' 08

RIL will have the largest and the most complex refining capacity at single location in the world

Global Polypropylene Rankings



2008		Capacity (In MMTPA)	2010	
Capacity	Rank		Capacity	Rank
5.8	1	Basell	6.1	1
3.7	2	SINOPEC	4.6	2
1.9	8	CNPC	3.2	3
2.0	7	SABIC	2.9	4
1.9	9	RIL	2.8	5
2.6	3	Total	2.7	6
2.1	6	Formosa	2.3	7
2.3	4	Ineos	1.7	9
2.2	5	Exxon Mobil	2.3	8
1.3	10	Abu Dhabi Gov't	1.6	10

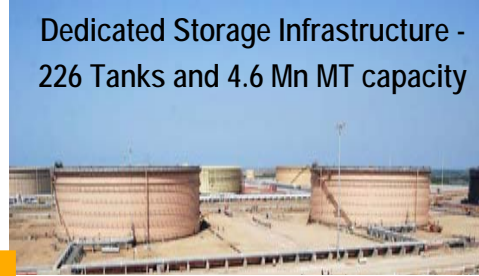
Source: CMAI 2009

Merger takes RIL in to a Top 5 PP producer globally

Jamnagar – A Refinery Super-site



Dedicated deepwater port capable of turning around VLCC & ULCC in 24/36 hours



Dedicated Storage Infrastructure - 226 Tanks and 4.6 Mn MT capacity



RIL EOU Refinery
660 KBPSD



RIL SEZ Refinery
580 KBPSD



Captive Products Jetties

Captive 1000 MW Power



Dedicated De-sal / DM Plant



Road loading



Rail loading



Gas / LPG Pipeline

Summary



- India's largest ever merger
- RPL shareholders to get 1 share of RIL for every 16 shares of RPL
- RIL's holding in RPL to be cancelled. No fresh treasury stock created
- RIL to be among top 10 private sector refining company globally
- RIL to be among the world's largest producer of Ultra Clean Fuels
- Merger to unlock greater efficiency from scale and synergies
- Merger to be EPS accretive; AAA rating reaffirmed by CRISIL
- RIL to have 3.7 million shareholders

Thank You

