



Reliance
Industries Limited

Investor Presentation

September 2007



RIL's Refinery At Jamnagar, India

Contents



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Reliance – Key Businesses and Initiatives

Summary



Forward Looking Statements



This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Reliance Industries



- Global rankings in key businesses – integrated energy chain in Refining and Petrochemicals - poised for large gains in E&P
- India's largest private sector and only Fortune 500 company
- Large part of India - market capitalisation of US\$ 67 billion
- Revenue exceed US\$ 27 billion, exports in excess of US\$ 15 billion
- Conservative balance sheet – robust annual EBITDA at US\$ 4.7 billion, net gearing at 25.2%. ROE and ROCE in excess of 20%
- Committed to large investments in key businesses - US\$ 12-14 Billion in next 4-5 years

Integrated business model, Strong business profile, Conservative balance sheet, Poised for exponential growth

Robust Growth Since IPO



	FY 1977	FY 2001-02	FY 2006-07	CAGR %	CAGR %
(in US\$ Million)				30 Years	5 Years
Turnover	76	9,304	27,227	21.66%	23.96%
Net Profit	3	664	2,747	25.52%	32.84%
Cash Profit	5	1,361	4,067	25.03%	24.48%
Total Assets	38	11,575	26,996	24.47%	18.46%
NetWorth	11	5,699	14,715	27.12%	20.89%
Exports	7	2,295	15,327	29.22%	46.20%
Market Cap	11	8,604	67,500	33.74%	50.98%

Over US\$ 55 billion of market cap addition in the last 5 years

Reliance – India's Proxy



India and Reliance

- Revenues equivalent to 2.9% of India's GDP
- 12% of India's total exports
- 6.5% of Government of India's indirect tax revenue
- 13.4% weighting in BSE Sensex
- 5.9% of India's total market cap
- Highest market capitalization for any private sector company

Note: all figures for the financial year ended March 31, 2007

Reliance is mirroring India's Growth

Global Ranks (Fortune Global 500)



Criteria	Global Ranking	
	2006	2007
Net Sales	342	269
Net Worth	226	190
Total Assets	351	299
Net Profit	194	179

Financial Ratios



Ratios	Mar-07
Net Debt : Equity	0.34
Net Gearing	25%
Interest Cover	9.1
Avg. Maturity of Debt (years)	5.4
Forex Debt (%)	73.0
ROCE (%)	20.5
ROE (%)	23.5

Top end credit ratings

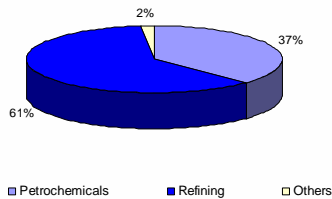
- S&P : BBB (Stable Outlook), above India's sovereign rating
- Moody's : Baa2 (Stable Outlook)
- FITCH : BBB- (Stable Outlook)
- CRISIL : AAA

Strong balance sheet with conservative financing norms.
Significant improvement in ROCE and ROE

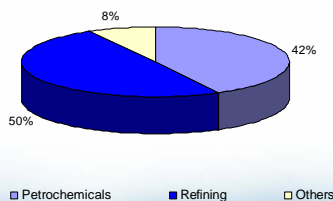
Business Segments



Revenue by Segment



EBIT by Segment



Segments

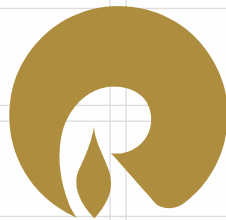
- Refining and Marketing contributed 61% of revenues and 50% of EBIT in FY 2007
- Petrochemicals was the second largest business segment contributing 37% of revenues and 42% of EBIT in FY 2007
- E&P and Textiles form part of 'Others' and contributed 2% of revenues in FY 2007

Note: Others includes Exploration & Production and Textile segments
Charts as on March 31, 2007

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Reliance – Key Businesses and Initiatives



Exploration & Production

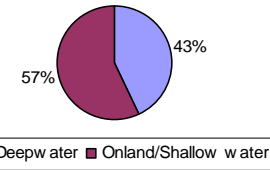


Indian E&P Opportunity

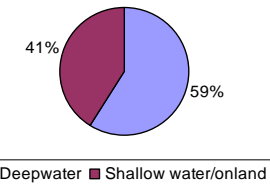


- India is under explored
 - Only 15% well explored; mostly on-land and shallow waters
- Absence of significant discovery for nearly 2 decades prior to 2000
- About 43% Sedimentary basin acreage in Deepwater
- World's largest Gas Discovery in 2002 by Reliance in the East Coast deepwater block KGD6
 - More discoveries by RIL, ONGC, GSPC in the East Coast

India's Sedimentary Basin

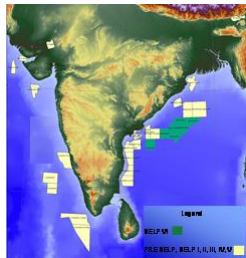


NELP Discoveries

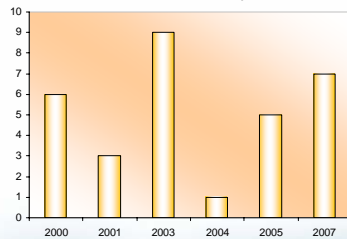


Most opportunities in India are in Deepwater - Unlocking potential is a Challenge

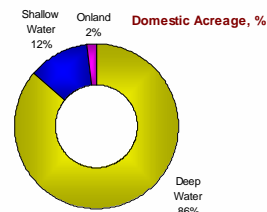
RIL Focusing on East Coast & Deep Waters



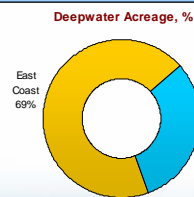
No. of Domestic Licenses Acquired



Domestic Acreage of ~ 336,000 Sq Km



Deepwater Acreage of ~ 288,000 Sq Km



RIL took on the Risks and Challenges of Deep Water exploration

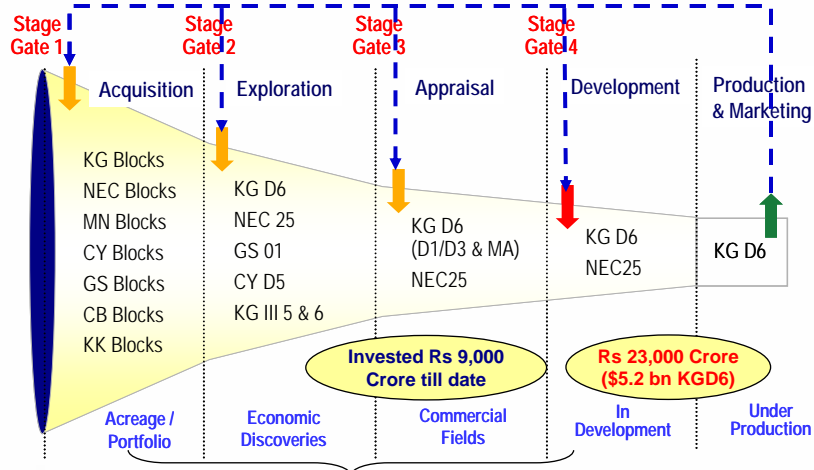
Deepwater Success for RIL



Particulars	Drilled	Success	Success Ratio
Deepwater	24	19	79%
Shallow Water	17	12	71%
Relinquished	9	0	0%
Total	50	31	62%

- Overall success ratio of 62% - beyond global benchmarks
- Significant expertise acquired in deepwater exploration through success in KG basin and more recently in Cauvery basin

RIL E&P Business – Journey So Far

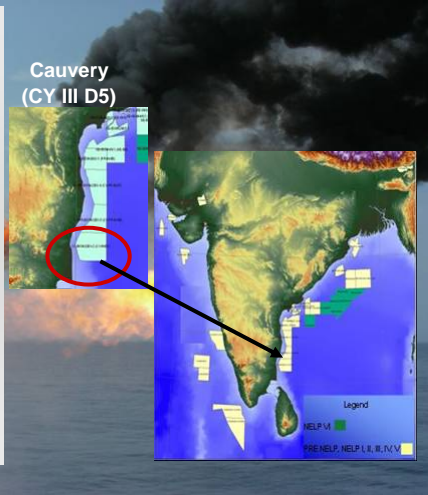


Helping India achieve self reliance in energy

Recent Discovery – Cauvery Basin



- Discovered oil and gas in the very first well in the Cauvery Basin
- This Opens up a significant new vista for this entire basin
 - Total deep water acreage about 100,000 sq. kms,
 - RIL - 4 blocks spread over 41,000 sq. kms.



A significant milestone in the Cauvery frontier basin
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KG-D6 Gas Project on Track



Drilling & Completions

72 % wells drilled

- ❑ 13 wells drilled; Remaining to be completed by Nov., 2007
- ❑ Well completions to commence in Nov., 2007
- ✓ Well completion equipment and services ordered

✓ Activities Completed
 ❑ Activities Commenced / Ongoing

Offshore Facilities

50% Completed

- ✓ Linepipes & bends - Manufacturing completed.
- ❑ Fabrication / Mfg. ongoing :
 - ❑ XMT,
 - ❑ Control Systems
 - ❑ Umbilicals
 - ❑ Subsea structures
- ❑ CRP Jacket and Deck fabrication ongoing. Jacket loadout – mid Aug, 07.
- ❑ Offshore Pipeline and installation engineering in progress.
- ❑ LFP to OT Trenching in progress

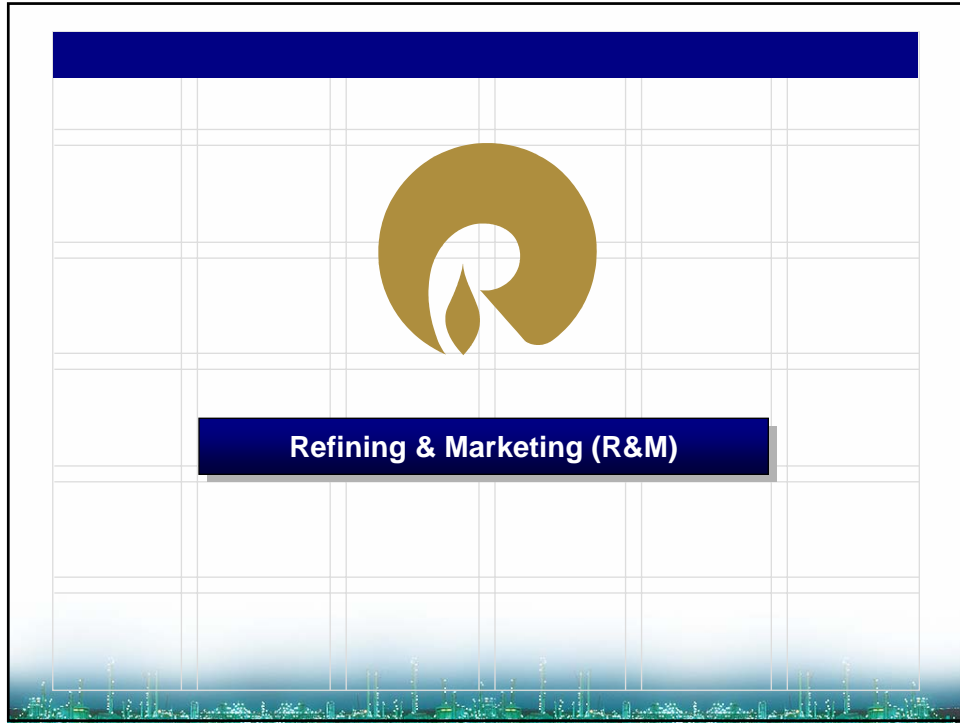
Onshore Facilities

35% Completed


- ❑ 70% of OT 3D model completed
- ❑ Major OT Long lead equipment/ packages ordered
- ❑ 70% Bulk Material received
- ❑ 95% Pile Driving completed
- ❑ 95% Pipe racks erected
- ❑ Site infrastructure being developed :
 - ✓ Construction Jetty,
 - ❑ 50% Haul Road completed

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The Reliance Advantage



- World's 3rd largest refinery at a single location at Jamnagar with 33 MTPA capacity
- Refinery ranked amongst the best globally in energy efficiency
- Nelson Complexity Index of 11.3 – Consistently outperforming regional benchmark GRM
- Exporting products to the most quality conscious markets such as the U.S., Europe and Japan

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The image shows a slide titled 'The Reliance Advantage'. It features a dark blue header bar with the title in white. To the right of the title is the Reliance logo, a gold-colored stylized 'R' with a flame-like shape inside. Below the title are four orange chevron-shaped icons pointing downwards, each followed by a white box containing text. The text describes the refinery's capacity, energy efficiency, Nelson Complexity Index, and export markets. At the bottom left is the website 'www.ril.com' and at the bottom right is the number '18'. The slide has a decorative border at the bottom with a city skyline and lights.

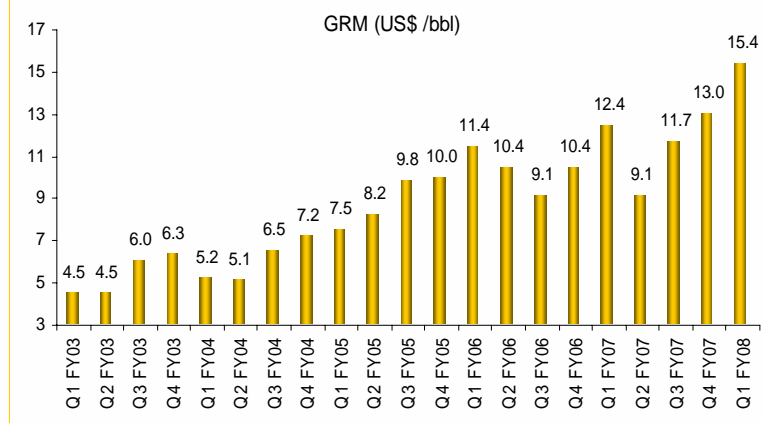
Highest Refining Margins in Last 10 Years



(US\$ / bbl)	1Q FY08	4Q FY07	1Q FY07
Reliance Industries Limited	15.4	13.0	12.4
Regional Benchmarks			
Singapore (Dubai crack)	9.5	6.8	8.9
US Gulf Coast (Brent crack)	13.1	7.5	11.7
US Gulf Coast (WTI crack)	18.8	8.4	12.1
Rotterdam (Brent crack)	6.6	4.1	6.2
Mediterranean (Urals crack)	7.2	5.7	7.0

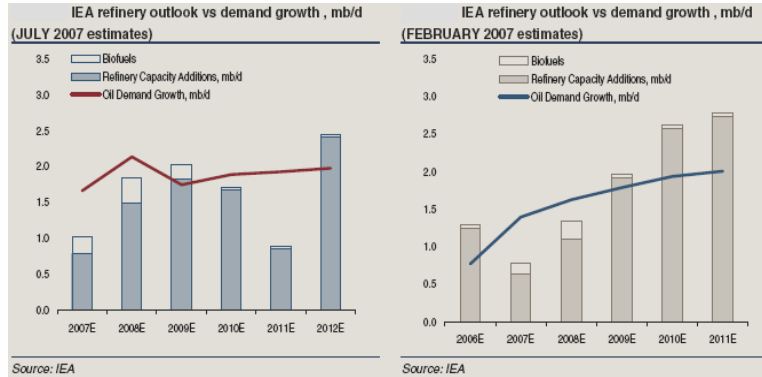
RIL's refining margins continue to be above most global benchmarks

Record Refining Margin



Highest ever GRM of US\$ 15.4 /bbl in any quarter since inception

Low Visibility for New Refinery Projects



IEA have revised their estimates down for capacity additions in 2010-11

Short-term Outlook



- Robust demand growth expectation of 2.4 MMBD during second half (Source: IEA July'07)
- Crude supply outlook remains stable with no planned shutdown
- CDU capacity additions expected to be less than 0.8 MMBD – significantly lower than expected demand growth of 1.65 MMBD
- Refinery utilisation expected to rise further
- Potential upside to product prices since unplanned refinery outages could result in supply concerns
- Geo-political conditions supportive of price and margins

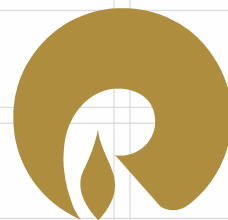
Robust product margins in a high price environment

Reliance Petroleum - The Way Forward



- RPL initiative – Refinery for the world, based in India
- India's only export-oriented refinery – crude oil processing capacity of 580,000 BOPD
- First mega project located in a SEZ
- Low capital cost, high on complexity (Nelson Complexity Index - 14), high margin potential
- RPL will be among the top 5% of refineries with extra heavy crude (below 26 API) processing capabilities

Impressive project progress; On track for completion by Dec' 08



Petrochemicals

India's Leading Petrochemical Player



Diverse Product Range

- Polymers, Polyester, Polyester Intermediates
- Cracker Products (Ethylene and Propylene)
- Chemicals (Benzene, LAB, Orthoxylene)

Market Dominance

- 57% of domestic polymers market
- 53% of domestic polyester market
- Double-digit growth in domestic market

Unrivalled Performance

- Capacity utilisation rates 100% plus
- Record production of over 19 million tonnes in FY07

Strategic Acquisition of Hualon assets

- Integrated facilities to help RIL strengthen its position in the textile value chain
- Consolidates RIL's position as world's largest polyester producer

Reliance's global scale, competitiveness and emphasis on specialty products allow for leadership in the industry

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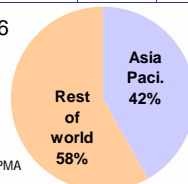
Asia / India Demand in Global PO+PVC Market



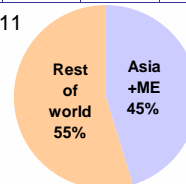
All fig in mmta

Sr. No.	Country	2006	% of Global	Sr. No.	Country	2011	% of Global
1	China	30	21%	1	China	44	25%
2	US	26	18%	2	US	30	17%
3	Japan	7	5%	3	India	12	7%
4	Germany	6	4%	4	Japan	8	4%
5	India	5	3%	5	Germany	7	4%
6	Others	68	48%	6	Others	79	44%
Total		142		Total		180	

2006



2011



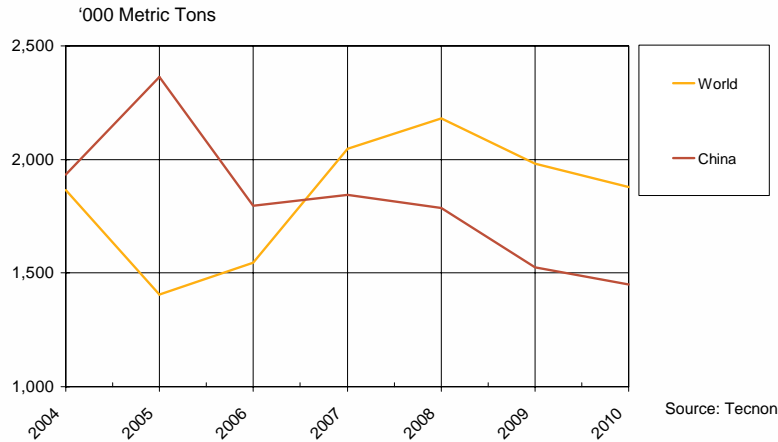
Source : CMAI 2007/ CPMA

India's polymer consumption set to double in the next 4-5 years

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Polyester: Incremental Capacity



Fall in incremental capacities in China to improve margins

Polyester: Looking Ahead



- Polyester operating rates to improve
- Rising cotton prices to increase polyester demand
- PET resin demand to be driven by growth in water and edible oil segments
- Robust downstream investments to continue in India and China
- Softening raw material operating rates
- Initiation of consolidation of polyester industry
- Reliance polyester business moving towards non apparel application

Reliance set to capitalise on favourable polyester environment

RIL's New Petrochemicals Complex



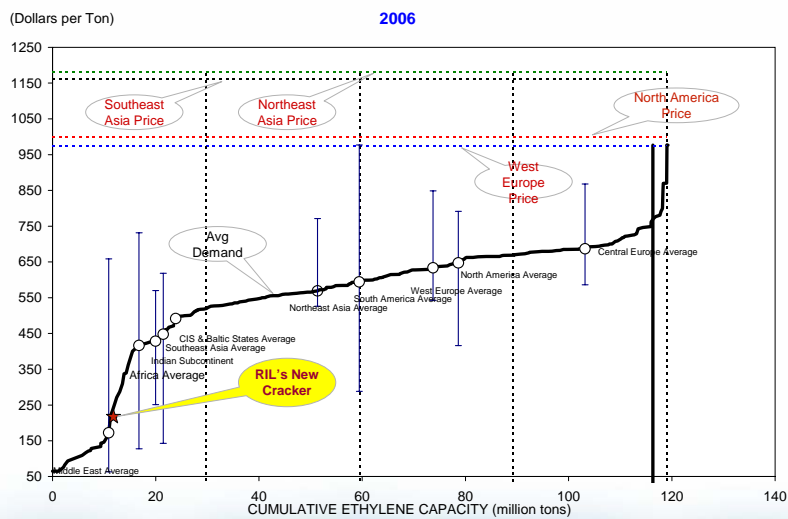
- Building one of the largest integrated cracker and petrochemicals complex with a total capacity of 2 MMTPA at the Jamnagar SEZ
- Feedstock for cracker will be refinery off gases and other by-products to manufacture ethylene, propylene and its downstream commodity and speciality derivatives
- Capital cost estimated at US\$ 3 billion - expected to go on stream by FY 2010 -11
- Unique integration with the refineries places the proposed cracker competitively with the most efficient producers of olefins and derivatives in the world including those in the Middle East

Project to enable RIL to achieve one of the most competitive cost positions

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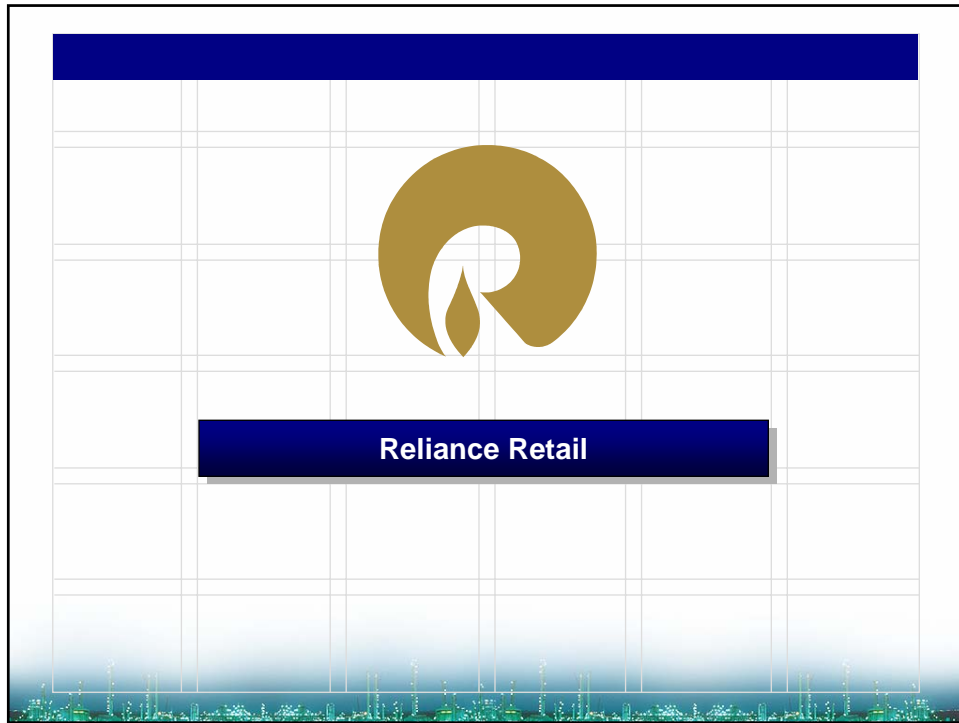
Ethylene Cash Cost Curve



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Source: CMAI

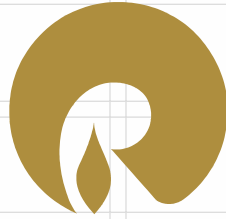


Reliance Retail



- Fully integrated business model to add tremendous value to the Indian consumer in multiple formats on a pan-India basis
- Investment of Rs 25,000 crore envisaged over the next few years - RIL could invest Rs 10,000 crore in the equity capital of Reliance Retail
- First store launched in Hyderabad in Nov 06 – over 300 stores covering more than 30 towns and cities in 12 States
- Successful execution of sourcing, processing and retailing in 6 months – established 108 collection centers in 16 states
- *RelianceOne* Loyalty - 1.5 million customers sign-up

A unique value proposition aimed at providing unprecedented quality, choice and affordability in all its products and services



Summary

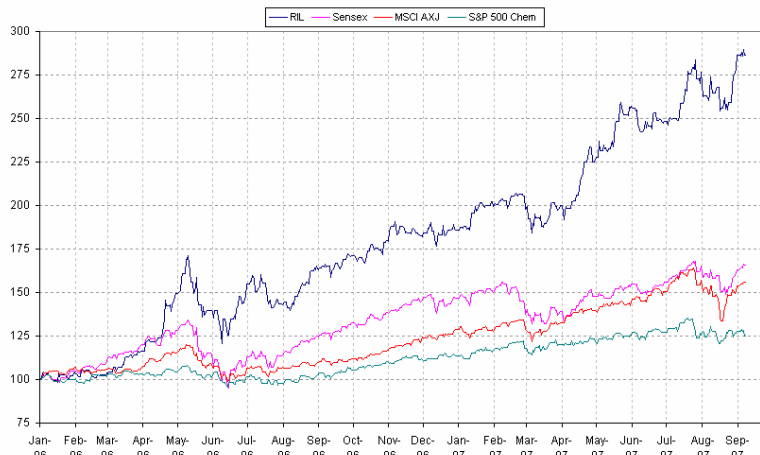
Summary



- Outlook for Complex Refineries looks positive due to ongoing Light-Heavy differential, Project delays and Strong global demand
- Petrochemical cycle likely to be extended – 'above-trend' margin to continue in Polymers and Polyesters
- Investments in E&P to create significant value
- RIL's existing business continue to benefit from integration – further scope for integration with new off-gases based cracker
- Robust cash flows to continue funding strategic initiatives in existing and new businesses to create superior shareholder value

What is Good for India is Good for Reliance

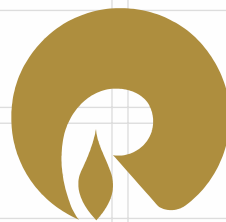
Reliance - Stock Performance



RIL is the top positive contributor in the Sensex during 2007

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Thank You