

Media Release



**NET PROFIT OF RS 2,481 CRORES (US\$ 564 MILLION) FOR THE QUARTER,
AN INCREASE OF 42%**

**NET PROFIT OF RS 4,791 CRORES (US\$ 1,088 MILLION) FOR THE HALF YEAR,
AN INCREASE OF 50%**

**CASH PROFIT OF RS 6,739 CRORES (US\$ 1,531 MILLION)
FOR THE HALF YEAR, AN INCREASE OF 24%**

ANNUALISED EPS OF RS 69 AND CEPS OF RS 97

**TURNOVER OF RS 42,777 CRORES (US\$ 9,718 MILLION)
FOR THE HALF YEAR, AN INCREASE OF 27%**

EXPORTS OF RS 15,176 CRORES (US\$ 3,447 MILLION), AN INCREASE OF 51%

Mumbai, 27th October 2005 - Reliance Industries Limited has announced its unaudited results for the half-year ended September 30, 2005. **Turnover of Rs. 42,777 crores** (US\$ 9,718 million). **Net Profit of Rs. 4,791 crores** (US\$ 1,088 million) - **the highest in the private sector.**

The performance highlights of Reliance Industries Limited for the half-year ended September 30, 2005 are:

- **Turnover** of Rs. 42,777 crores (US\$ 9,718 million) against Rs. 33,610 crores for the corresponding previous period, **an increase of 27%**
- **Operating Profit (PBDIT)** increased to Rs. 7,694 crores (US\$ 1,748 million) against Rs. 6,618 crores for the corresponding previous period, **an increase of 16%**.
- **Cash Profit (before depreciation and deferred tax)** of Rs. 6,739 crores (US\$ 1,531 million) against Rs. 5,419 crores for the corresponding previous period, **an increase of 24%**.
- **Net Profit of Rs. 4,791 crores** (US\$ 1,088 million) against Rs. 3,189 crores for the corresponding previous period, **an increase of 50%**.
- The total paid up equity share capital stood at Rs. 1,394 crores (US\$ 317 million).
- Earnings Per Share (EPS) for the half-year is Rs. 34.4 (US\$ 0.78) & Cash Earnings Per Share (CEPS) for the half-year is Rs. 48.3 (US\$ 1.10).

[Annualised Earnings Per Share (EPS) is Rs. 68.8 (US\$ 1.56) & Annualised Cash Earnings Per Share (CEPS) is Rs. 96.6 (US\$ 2.20).]

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com



Media Release

- The company's contribution to the national exchequer in the form of various taxes was **Rs. 8,173 crores (US\$ 1,857 million) against Rs. 7,077 crores** for the corresponding previous period, **an increase of 15%**.
- The Company's production of oil & gas and petrochemicals, including toll conversion, is **6.54 million tonnes** during the half-year, against 6.29 million tonnes for the corresponding previous period, **an increase of 4%**.
- The Company's refinery operated at 96% capacity utilisation and processed 15.87 million tonnes of crude during the half-year.
- **Exports including deemed exports were Rs. 15,176 crores (US\$ 3,447 million),** against Rs. 10,036 crores for the corresponding previous period, **an increase of 51%**.

The Company has also reconciled its net profits as per Indian GAAP with US GAAP as under:

	<u>Indian GAAP</u>		<u>US GAAP</u>	
	Rs. Crs	\$ MM	Rs. Crs	\$ MM
Net Profit	4,791	1,088	5,110	1,160
Difference			319	72

The difference is mainly on account of foreign exchange differences and consolidation of subsidiaries and associates.

For the quarter ending December 31, 2005 the Company expects to announce its results in the last week of January 2006.

Management Discussion & Analysis for the Half-year ended 30th September 2005

Turnover for the half-year ended September 30, 2005 was Rs. 42,777 crores (US\$ 9,718 million), **up 27% from the corresponding previous period. Net profit for the half-year increased 50% to Rs. 4,791 crores (US\$ 1,088 million).**

Increase in sales reflects the impact of an increase in product selling prices of 23%, and increase in sales volume of 4%, as compared to the corresponding previous period.

Exports, including deemed exports, were Rs. 15,176 crores (US\$ 3,447 million), against Rs. 10,036 crores during the corresponding previous period, **an increase of 51%.**

The Company's production of oil & gas and petrochemicals, including toll conversion, increased to 6.54 million tonnes for the half-year, against 6.29 million tonnes for the corresponding previous period, an increase of 4%.

The Company's refinery operated at 96% capacity utilisation and processed 15.87 million tonnes of crude for the half year.

Financial Review

Operating profit, before other income, was Rs. 7,278 crores (US\$ 1,653 million), against Rs. 5,975 crores for the corresponding previous period, an increase of 22%

The company's net operating margin was lower during the period at 18.9% mainly due to significant increase in price of crude oil during the half-year, which was not fully absorbed in domestic price of petroleum products.

Other income decreased to Rs. 416 crores (US\$ 94 million), from Rs. 643 crores on account of the company exercising its option to convert the Preference shares of Reliance Infocomm Ltd with effect from 1st April 2005. This was partially offset by higher interest income from current investments and fixed deposits.

Interest expenditure decreased 49% to Rs. 458 crores (US\$ 104 million) due to appreciation of the rupee and reduction in debt.

Depreciation was at Rs. 1,595 crores (US\$ 362 million) as against Rs. 1,830 crores for the corresponding previous period. The decrease is on account of assets sold during 2004-05 and impact of WDV depreciation on petrochemical assets

The outflow on account of capital expenditure was over Rs. 4,200 crores (US\$ 954 million), primarily on account of oil and gas, petrochemical capacity expansions and normal capital expenditure.

Media Release



Business Review

Oil & Gas (E&P)

RIL's oil and gas strategy is aimed at further enhancing the level of vertical integration in its energy business, and capturing value across the entire energy chain, while fulfilling important national priorities.

RIL is the largest exploration acreage holder among the Private sector companies in India with 34 domestic exploration blocks covering an area of about 340,000 sqkm. This is in addition to its interest in one exploration block each in Yemen and Oman. Reliance also has 5 coal bed methane blocks covering an area of about 4000 sqkm.

12 exploration blocks were awarded under the 1st round of the New Exploration Licensing Policy (NELP-I) of Government of India, 4 blocks in NELP II, 9 blocks in NELP III and 1 block in NELP IV. Reliance has been awarded 5 more exploration blocks under the just concluded NELP V. The Production Sharing Contract has been signed and application for exploration license has been submitted.

The Company and various partners, including ONGC Ltd. and Oil India Ltd., were awarded two exploration blocks prior to NELP. The Company has also acquired the operating rights of four exploration blocks from Tullow Oil plc, a UK Company.

Three blocks out of the above-awarded blocks have been relinquished as the expected deposits were found to be sub-economic.

In the Yemen onshore block where Reliance had oil discoveries, the development plan has been approved by Ministry of Yemen. Further exploration activity is also under progress and results are quite encouraging.

In the Oman offshore block, where RIL is the Operator, the existing seismic data has been collected and contract for reprocessing of data is being finalized.

During the quarter, processing and interpretation of acquired data have been taken up in an accelerated manner.

Building on the giant Dhirubhai gas discovery, Reliance continued with the exploratory drilling campaign in the discovery block KG-DWN-98/3 in the Krishna Godavari Basin. First Development well was spud and drilling operations are in progress. Detailed evaluation drilled wells are in progress.

The contract for development is slated to be awarded in calendar Q1-06.

The exploration in the CBM block of RIL is also progressing as per plan.

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Page 4 of 11

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com



Reliance

Media Release

Reliance has deployed state-of-the-art technology, and is working with leading international technology and service providers for the E&P project, covering all activities, such as seismic studies, processing and interpretation of data and drilling.

RIL also holds a 30% interest in an unincorporated Joint Venture with British Gas and ONGC, to develop the proven Panna-Mukta and Tapti oil & gas fields. British Gas has a 30% share and ONGC the balance 40% share.

The Panna-Mukta fields produced 725,340 tonnes of crude oil and 22.32 billion cubic feet (632 MMSCM) of gas during the half year under review.

The Tapti field produced 40.46 billion cubic feet of gas (1,145 MMSCM) during the half year under review.

Refining & Marketing (R&M)

During the period under review, the domestic demand for petroleum products reduced by 0.6% compared to first half of last year. This is against 5.5% growth last year compared to the corresponding previous period.

The consumption of HSD, which accounts for more than a third of the total consumption of petroleum products, registered a negative growth of 0.6%, against a growth of 8.8% during the corresponding previous period. LPG demand showed significantly lower growth of 0.8% against 13.8% growth during the corresponding previous period. Demand for MS grew by 4.3%. The demand of Aviation turbine fuel grew by 14.7% during the half year. Naphtha sales fell by 11.2% and Kerosene sales increased slightly by 0.8%.

The average prices of WTI, Brent and Dubai for the half year period were \$ 58.1 per barrel, \$ 56.7 per barrel and \$ 51.7 per barrel respectively while the peak prices were \$ 69.9 per barrel, \$ 67.3 and \$ 59.2 per barrel respectively.

The global refining industry in general and the US refining industry in particular was dramatically influenced by the two hurricanes, Katrina and Rita that hit US Gulf coast on 29th August & 24th September respectively. US Gulf coast is the major hub for US refining with total capacity of about 4.7 mn b/d or 27.5% of US capacity. Almost all of this closed during 2 hurricanes. Reportedly as of end Sep '05 3.1 mn b/d capacity still remains closed.

International Energy Agency revised down its global oil demand growth forecast for 2005 to 1.26 million b/d, due to regional economic and logistical disruptions as well as retail price spikes in US due to Katrina and Rita and weaker outlook for China but has maintained a demand growth forecast of 1.75 million b/d for 2006.

The refinery margins were robust in all the regions as product price increases were higher than the concomitant rise in crude oil prices.

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com



Reliance

Media Release

During the period under review, Reliance recorded 96% capacity utilisation at its Jamnagar Refinery. The refinery processed 15.87 million tons of crude during the half year.

This capacity utilisation compares favourably with the utilisation rates for other refineries, both in India and abroad, at 91% for North America, 87% for Europe, and 89% for Asia Pacific region.

Exports of refining products during the period under review were 5.2 million tons, compared to 4.8 million tons in the corresponding period last year.

The implementation of setting up of Retail Outlets at various locations is in full swing. Reliance already has the necessary approvals for setting up 5,849 retail outlets in India.

As on date, over 850 outlets are operational. The response from these retail outlets is encouraging as the throughput per outlet is higher than the industry norms. By the end of March 2006, Reliance will have significant presence in the retailing of transportation fuels. Reliance will continue to set new standards for services and product quality through its retail outlets. This will help improve margins, overall return on capital and consequently, shareholder value.

Petrochemicals

Polyester: Reliance is the country's largest manufacturer of PFY, PSF and PET, with a market share of 50%.

RIL's production volumes of PFY, PSF and PET increased by 7% to 549,000 tonnes.

Reliance has maintained its focus on speciality products. 56% of PSF production and 36% of PFY production represented niche products, contributing a premium of up to 50% over commodity prices.

Demand for PFY, PSF and PET, for the period under review, was 7% higher at 896,000 tonnes.

Reliance also continues to be the largest manufacturer of polyester intermediates, PX, PTA and MEG, in the country, with a market share of 77%.

Production of PX, PTA and MEG increased by 5% to 16,08,000 tonnes

Polymers: Reliance is the largest manufacturer of PP, PE and PVC, in the country, with a market share of 46%.

Production volumes of PP, PE and PVC decreased 3% to 939,000 tonnes.

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com



Reliance

Media Release

There was an increased focus on high value premium products, with speciality grades contributing 19% of production, and generating a premium of up to 14% over commodity prices.

Domestic demand for PP, PE and PVC, for the period under review, was 12% higher at 1,892,000 tonnes.

RIL operates the world's largest grassroots, multi-feed cracker at its Hazira petrochemicals complex. During the period under review, Reliance produced 421,000 tonnes of ethylene and 200,000 tonnes of Propylene.

Chemicals: During the half-year under review, Linear Alkyl Benzene (LAB) production was 56,000 tonnes. Reliance has a market share of 24% in LAB.

During the half-year, Reliance has successfully commissioned the 140,000 tonnes per annum capacity Butadiene plant at Hazira. Butadiene production during the half-year was 33,000 tonnes.

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com

**UNAUDITED FINANCIAL RESULTS FOR
THE QUARTER / HALF – YEAR ENDED 30th SEPTEMBER 2005**

(Rs. in crores, except per share data)

Sr. No.	Particulars	Quarter Ended 30 th September		Half-year Ended 30 th September		Year Ended 31 st March
		2005	2004	2005	2004	2005 (Audited)
1.	Turnover	22,893	17,864	42,777	33,610	73,164
	Less: Excise Duty Recovered on Sales	2,176	1,700	4,276	3,166	7,113
	Net Turnover	20,717	16,164	38,501	30,444	66,051
2.	Other Income	222	296	416	643	1,450
3.	Total Expenditure					
	(a) (Increase)/decrease in stock in trade	(799)	706	(2,289)	(88)	524
	(b) Consumption of raw materials	15,228	10,657	28,769	21,161	45,932
	(c) Staff cost	259	185	512	363	846
	(d) Other expenditure	2,317	1,446	4,232	3,033	5,937
4.	Interest	222	434	458	902	1,469
5.	Depreciation	804	914	1,595	1,830	3,724
6.	Profit before tax	2,908	2,118	5,640	3,886	9,069
7.	Provision for Current Tax (including Fringe Benefit tax)	251	166	497	297	705
8.	Provision for Deferred Tax	176	200	352	400	792
9.	Net Profit	2,481	1,752	4,791	3,189	7,572
10.	Paid up Equity Share Capital, Equity Shares of Rs. 10/- each.	1,394	1,396	1,394	1,396	1,394
11.	Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year					36,280
12.	Earnings per share of Rs. 10 (Not Annualised)					
	Basic	17.8	12.5	34.4	22.8	54.2
	Diluted	17.8	12.5	34.4	22.8	54.2
13.	Aggregate of non-promoter shareholding					
	- Number of Shares (in crores)	74.21	74.47	74.21	74.47	74.19
	- Percentage of Shareholding (%)	53.25	53.33	53.25	53.33	53.24

Media Release



Notes:

1. The figures for the corresponding periods have been restated, wherever necessary, to make them comparable.
2. The Company has filed an application with the Honourable High Court of Mumbai to demerge certain undertakings into four new resulting companies. The shareholders, secured and unsecured creditors at their respective meetings held on 21st October 2005, have approved the demerger scheme as directed by the High Court of Mumbai with effect from the appointed date i.e., 1st September, 2005. The Company has filed a petition along with the Scheme with the Honorable High Court of Mumbai for approving the scheme. Necessary accounting effect shall be given once the scheme becomes effective.
3. (a) The Company, based on the report by international valuers, has revalued plant, equipment and buildings situated at Patalganga, Hazira and Jamnagar as at 1st August 2005 by an amount of Rs 22,497 crores (US\$ 5,111 million) and an equivalent amount has been credited to Revaluation Reserve Account. Consequent to the revaluation, there is an additional charge for depreciation of Rs. 353 crores (US\$ 80 million) for the half-year ended 30th September 2005 and an equivalent amount has been withdrawn from Revaluation Reserve. **This has no impact on profit for the period.**

(b) The Company had revalued its plant and machinery situated at Patalganga and Naroda in 1997-98. Consequent to the revaluation, there is an additional charge for depreciation of Rs. 22 crores (US\$ 5 million) for the half-year ended 30th September 2005 and an equivalent amount, which was hitherto being withdrawn from General Reserves, has been withdrawn from Revaluation Reserve. **This has no impact on profit for the period.**
4. During the quarter the Company has appropriated an amount of Rs 12,850 crores from the Profit and Loss Account to the General Reserve.
5. During the quarter Reliance Industries (Middle East) DMMC, Relene Petrochemicals Limited, Reliance Capital Ventures Limited, Reliance Communication Ventures Limited, Global Fuel Management Services Limited, Reliance Energy Ventures Limited, Reliance Power Limited, Reliance Patalganga Power Limited, Reliance Thermal Energy Limited, Hirma Power Limited and Jayamkondam Power Limited have become subsidiaries of the Company.
6. Provision for Current Tax includes, provision for Fringe Benefit Tax of Rs 7 crores (US\$ 2 million) for the quarter and Rs 12 crores (US \$ 3 million) for the half year. (Previous Year Rs NIL)
7. There were no investors' complaints pending as on July 1, 2005. All the 2,983 complaints received during the quarter were resolved and no complaints were outstanding as on 30th September 2005.
8. The statutory auditors of the Company have carried out a Limited Review of the results for half-year ended 30th September 2005.
9. The above results were reviewed by the Audit Committee. The Board of Directors at its meeting held on 27th October 2005 approved the above results and its release.

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com

Media Release



Reliance

UNAUDITED SEGMENT INFORMATION FOR THE QUARTER / HALF-YEAR ENDED 30TH SEPTEMBER 2005

Rs Crores

	Quarter Ended 30 th September		Half Year Ended 30 th September		Year ended 31 st March
	2005	2004	2005	2004	2005 (Audited)
1. Segment Revenue					
- Petrochemicals	8,171	7,189	14,841	13,656	29,745
- Refining	18,595	12,980	34,690	25,080	51,700
- Others	441	500	854	1,010	2,623
Gross Turnover (Turnover and Inter Divisional Transfers)	27,207	20,669	50,385	39,746	84,068
Less: Inter Segment Transfers	4,314	2,805	7,608	6,136	10,358
Turnover	22,893	17,864	42,777	33,610	73,710
Less: Excise Duty Recovered on Sales	2,176	1,700	4,276	3,166	7,113
Net Turnover	20,717	16,164	38,501	30,444	66,597
2. Segment Results					
- Petrochemicals	1,279	1,041	2,161	1,927	3,762
- Refining	1,532	1,249	3,319	2,363	5,521
- Others	247	276	466	545	1,192
Total Segment Profit before Interest and Tax	3,058	2,566	5,946	4,835	10,475
(i) Interest Expense	(222)	(434)	(458)	(902)	(1,474)
(ii) Interest Income	139	27	282	92	369
(iii) Other Unallocable Income Net of Expenditure	(67)	(41)	(130)	(139)	(245)
Profit Before Tax	2,908	2,118	5,640	3,886	9,125
(i) Provision for Current Tax	(251)	(166)	(497)	(297)	(705)
(ii) Provision for Deferred Tax	(176)	(200)	(352)	(400)	(792)
Profit after Tax	2,481	1,752	4,791	3,189	7,628
3. Capital Employed (Segment Assets – Segment Liabilities)					
- Petrochemicals	26,628	11,635	26,628	11,635	9,576
- Refining	27,607	22,643	27,607	22,643	22,636
- Others	20,139	15,976	20,139	15,976	16,282
- Unallocated Corporate	14,407	12,206	14,407	12,206	15,684
Total Capital Employed	88,781	62,460	88,781	62,460	64,178

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

Internet : www.ril.com

E-mail : ccd@ril.com



Reliance

Media Release

Notes to Segment Information for the half-year ended 30th September 2005:

1. As per Accounting Standard 17 on Segment Reporting (AS 17), the Company has reported segments information as described below:
 - a) The **petrochemicals** segment includes production and marketing operations of petrochemical products namely, High and Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Polyester Yarn, Polyester Fibres, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene and Polyethylene Terephthalate.
 - b) The **refining** segment includes production and marketing operations of the petroleum refinery.
 - c) The businesses, conducted mainly through investment in associates and smaller business segments not separately reportable have been grouped under the “**others**” segment. This comprises of the following:
 - Oil and Gas
 - Textile
 - Communication
 - Power
 - Finance and Risk management
 - d) Capital employed on other Investments and income from the same are considered under “**un-allocable**”
2. The segment results for the year ended 31st March 2005 are on a consolidated basis.

Corporate Communications
Reliance Centre
19, Walchand Hirachand Marg
Ballard Estate, Mumbai 400 038, India

Internet : www.ril.com

Page 11 of 11

Telephone : 3032 7275, 3032 7219
3032 7214, 3032 7213
Telefax : (+91 22) 2285 2212
(+91 22) 2287 0072

E-mail : ccd@ril.com