

Q3 FY 2005-06

Results



**Reliance
Industries Limited**

January 10, 2006

Forward Looking Statements



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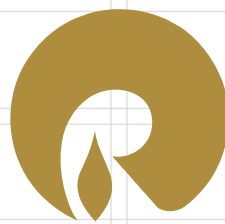


Economic Overview

Financial Performance

Business Review

Summary



Economic Overview

Global Economic Trends - GDP



| | 2004 | 2005 E | 2006 E |
|-----------|-------------|---------------|---------------|
| Global | 3.8 | 3.2 | 3.3 |
| US | 4.2 | 3.6 | 3.5 |
| Japan | 2.3 | 2.5 | 2.6 |
| Euro Area | 1.8 | 1.5 | 2.1 |
| China | 9.5 | 9.3 | 8.5 |
| India | 6.9 | 8.0 | 7.0 |

Source: J P Morgan Estimates

Global economy continues to grow at a robust pace with the recovery in Japan and Euro area gaining further momentum

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Global Economic Backdrop



- US economic growth remains robust with inflation still under control – inflated housing prices remain a concern
- Fed signals approaching end of rate hike cycle, Dr. Bernanke to take-over from Greenspan in Jan end – future monetary policy likely to be driven more by incoming economic data
- Japanese recovery gathers further momentum – Quantitative Easing policy likely to come to an end in 2006
- European economy shows improvement – ECB hikes rates by 25 bps after a 2.5 year period of stable rate policy

Global economic backdrop remains positive for Business

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Indian Economic Backdrop

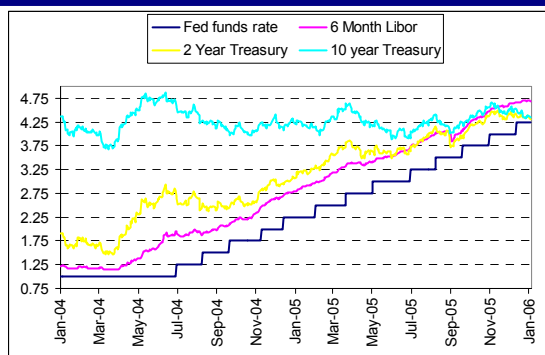


- Robust GDP growth of 8.1% in H1 05-06 driven by industrial growth, capex cycle and consumption
- Inflation under control in spite of oil shock and strong growth – potential upside risks from wage pressures, demand factors, and high global commodity prices
- Record trade deficit of US\$ 16.2 bio in Q2 05-06 on back of strong import growth
- Strong capital account flows and consequent FX reserves growth have supported liquidity and currency

Strong GDP growth continues with inflation under control

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Trends in US Interest Rates



| Date | 30-Sep-05 | 31-Dec-05 | Change |
|------------------|-----------|-----------|--------|
| Fed funds rate | 3.75 | 4.25 | 0.50 |
| 6 Month Libor | 4.23 | 4.70 | 0.47 |
| 2 Year Treasury | 4.17 | 4.40 | 0.24 |
| 10 year Treasury | 4.32 | 4.39 | 0.07 |

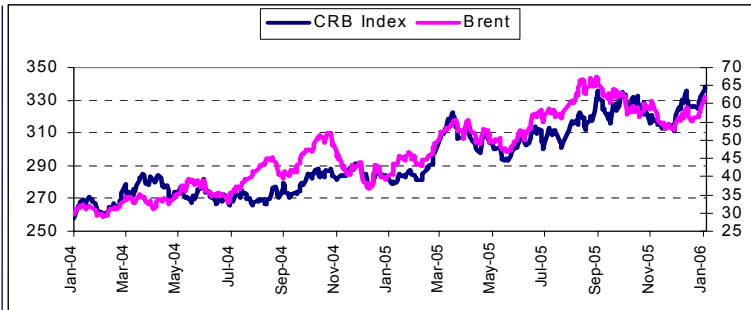
Source: Bloomberg

- Fed hiked rates by further 50 bps during the quarter (325 bps in this cycle).
- Continued flattening of yield curve with long rates anchored on excess global savings, contained inflation, and housing market concerns
- Fed nearing end of rate hike campaign – market pricing 25 bps hike in Jan end and then 70% chance of another hike by May 06

Flattening of yield curve even as Fed nears neutral rate – inversion of curve possible

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Trend in Commodity Prices



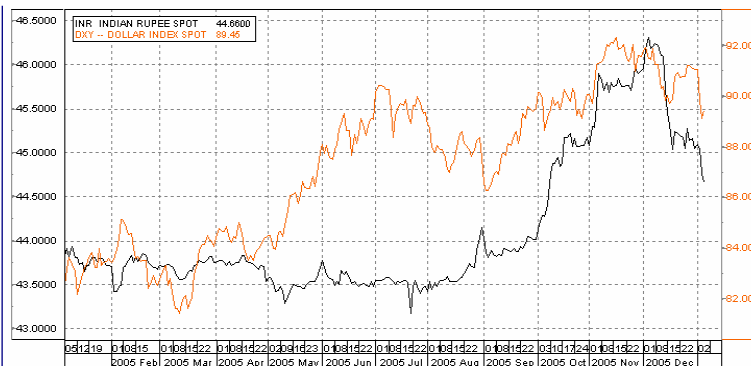
| | FY 05 | Q2 | Q3 |
|------------------|-------|-----|------|
| CRB Index | 11% | 11% | 0% |
| Commodity Group: | | | |
| Energy | 63% | 48% | -16% |
| Industrials | 10% | 16% | 12% |
| Precious Metals | -6% | 6% | 14% |

Source: Bloomberg

- Soft energy prices offset strong rise in most commodity prices in last quarter
- Metals and agri commodities at or close to new highs
- Energy prices soft on high inventory and slower demand growth

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Trend in Rupee vis-à-vis Dollar Index



Source: Bloomberg

Rupee demonstrated sharp two-way volatility over the last quarter with net loss of 2.3% over the quarter – Rupee weakened initially on worsening current account, global Dollar rally, and REER correction - Rupee appreciation since December is driven by strong capital flows and overseas weakness of Dollar

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Performance of Currencies over 2005



| | FX rate on | | |
|--------------------------|------------|-----------|----------|
| | 31-Dec-04 | 30-Dec-05 | % Change |
| Dollar Index | 80.85 | 91.07 | 12.64% |
| Major Currencies: | | | |
| GBP | 1.9181 | 1.723 | -10.17% |
| EUR | 1.3554 | 1.1849 | -12.58% |
| JPY | 102.63 | 117.75 | -12.84% |
| Asian currencies: | | | |
| TWD | 31.74 | 32.825 | -3.31% |
| KRW | 1035 | 1010 | 2.49% |
| SGD | 1.6317 | 1.663 | -1.88% |
| INR | 43.46 | 45.05 | -3.53% |

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Top 10 Stock Markets in 2005



| Stock Index | Change | Market Cap (USD Bio) |
|----------------|--------|-------------------------|
| DUBAI | 134% | 212 |
| SAUDI SASI | 104% | 685 |
| KUWAIT KWSE | 79% | 123 |
| KOREA KOSPI | 57% | 722 |
| PAKISTAN KSE | 54% | 39 |
| INDIA BSE | 41% | 573 |
| JAPAN NIKKEI | 40% | 5092 |
| MEXICO BOLSA | 37% | 262 |
| BRAZIL BOVESPA | 30% | 487 |
| ISRAEL TA100 | 28% | 104 |

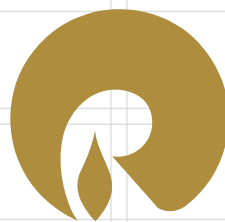
Global stock markets performed very well in 2005

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Summary – Global Economic Backdrop

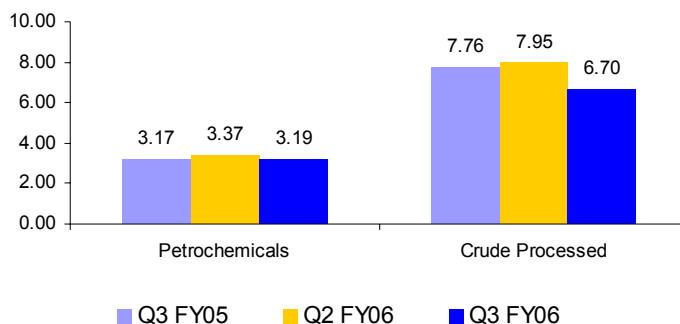


- Strong global economic growth forecasted in 2006
- Interest rate hikes likely to pause in the US
- Energy prices plateau with downward bias
- US Dollar weakness likely theme for 2006



Financial Performance

Production



Production / Crude processed in Million Tonnes

Lower production during the quarter due to partial shutdown of the Refinery Complex and associated PP and PX plants in October/November 05

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Results for 9 Months FY06



| (in Rs crore) | 9 Months FY05 | 9 Months FY06 | % Change |
|---------------|---------------|---------------|----------|
| Revenues | 53,324 | 62,676 | 17.5% |
| Net Profit | 5,280 | 6,567 | 24.4% |
| Cash Profit | 8,622 | 9,514 | 10.3% |
| EPS (Rs) | 37.8 | 47.1 | 24.6% |
| CEPS (Rs) | 61.7 | 68.2 | 10.5% |

9 months FY 06 results not comparable with the corresponding previous period due to the impact of Refinery Shutdown in Oct/Nov 2005

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Results for Q3 FY06



| (in Rs crore) | Q3 | Q2 | Q3 | % change wrt | |
|---------------|--------|--------|---------------|--------------|---------|
| | FY05 | FY06 | FY06 | Q3 FY05 | Q2 FY06 |
| Revenues | 19,714 | 22,893 | 19,899 | 0.9% | -13.1% |
| Net Profit | 2,091 | 2,481 | 1,776 | -15.1% | -28.4% |
| Cash Profit | 3,203 | 3,462 | 2,775 | -13.4% | -19.8% |
| EPS (Rs) | 15.0 | 17.8 | 12.7 | -15.3% | -28.7% |
| CEPS (Rs) | 22.9 | 24.8 | 19.9 | -13.1% | -19.9% |

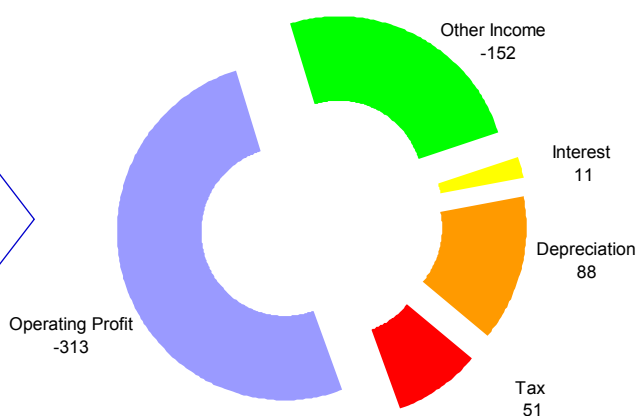
Q3 Profit lower primarily due to Refinery Shutdown, lower Refining Margins and lower Petrochemical Sales

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Net Profit – Q3 FY 06 Vs Q3 FY 05



Net Profit for the quarter down by Rs 315 crore compared to previous quarter



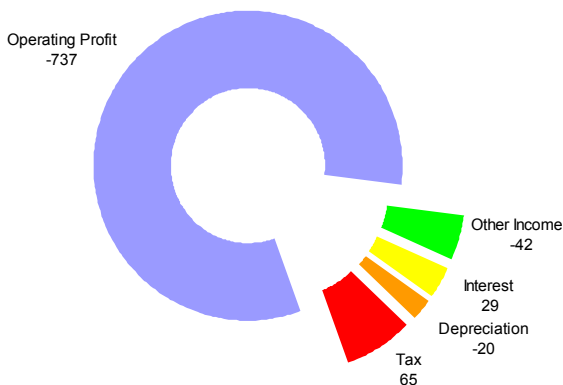
Net profit decrease primarily due to reduction in Operating Profit and Other Income, partially offset by lower Depreciation and Tax

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Net Profit – Q3 FY 06 Vs Q2 FY 06



Net Profit for the quarter down by Rs 705 crore compared to trailing quarter



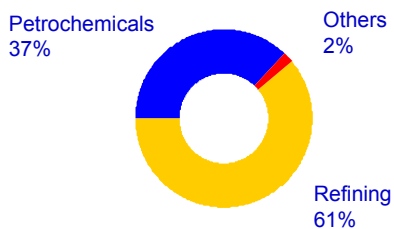
Net profit decrease primarily due to reduction in Operating Profit by Rs 737 crore

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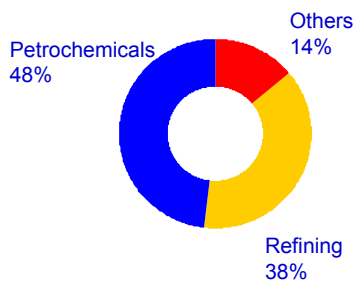
Business Mix for Q3 FY06



Revenues Q3 FY06



EBIT Q3 FY06



Share of Refining Segment revenue higher due to increase in refining products prices in a high crude oil price environment.
Refining & Petrochemicals contribute 98% of revenues

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Segment Results



| (in Rs crore) | Q3 | Q2 | Q3 | % Change wrt | |
|-----------------------|--------|--------|--------|--------------|---------|
| | FY05 | FY06 | FY06 | Q3 FY05 | Q2 FY06 |
| Refining | | | | | |
| Revenues | 13,415 | 18,595 | 15,179 | 13.1% | -18.4% |
| EBIT | 1,578 | 1,532 | 856 | -45.8% | -44.1% |
| EBIT (%) | 11.8% | 8.2% | 5.6% | | |
| (in Rs crore) | Q3 | Q2 | Q3 | % Change wrt | |
| | FY05 | FY06 | FY06 | Q3 FY05 | Q2 FY06 |
| Petrochemicals | | | | | |
| Revenues | 7,015 | 8,171 | 7,353 | 4.8% | -10.0% |
| EBIT | 852 | 1,279 | 1,064 | 24.9% | -16.8% |
| EBIT (%) | 12.1% | 15.7% | 14.5% | | |

Refining EBIT margin lower due to lower GRM and refinery shutdown

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Segment Analysis Q3 Vs Q2 FY 06



- Refining EBIT lower by Rs 676 crore mainly due to :
 - Partial shutdown of Jamnagar complex during Oct/Nov'05.
 - Lower GRM at 9.1 \$/bbl in Q3 compared to 10.4 \$/bbl in Q2 – the decline in GRM was in line with reduction in Singapore GRM
- Petrochemical EBIT lower by Rs 215 crore mainly due to :
 - Lower sales volume PP and PX due to shutdown of PP and PX plant at Jamnagar
 - Lower Polyester and PP Deltas
 - The above adverse factors were partially offset by higher deltas in Paraxylene and MEG

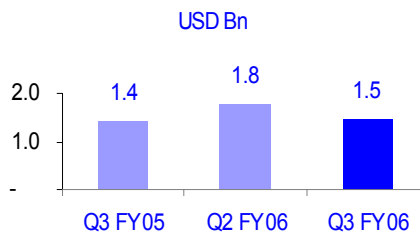
Partial Shutdown of the Refinery Complex and associated Petrochemical Plants had a major impact on Q3 Results

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Exports



Refining contributes 80%
Petrochem at 20%

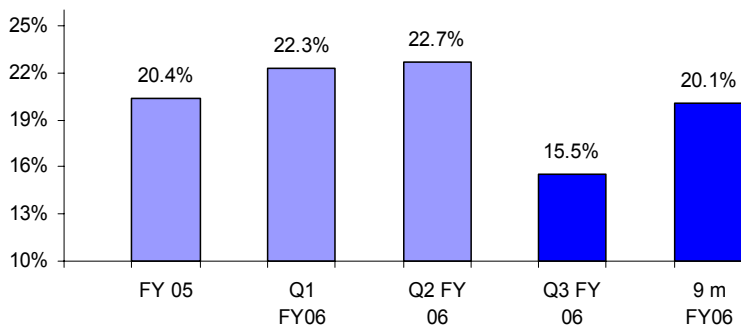


Exports up 7% compared to Q3 FY05

Exports at 38% of total revenues

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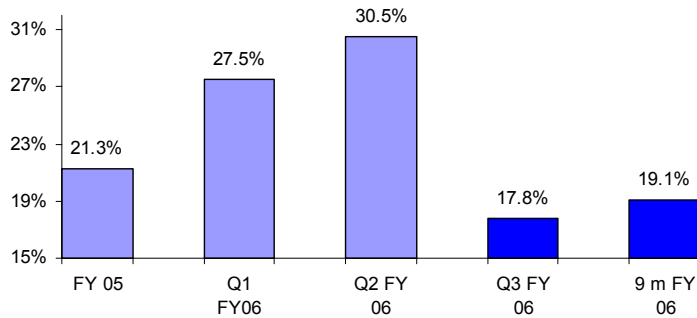
Return on Equity



Q3 ROE lower due to lower Net Profit and impact of revaluation of assets

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Return on Capital Employed



Q3 ROCE lower due to lower Net Profit and impact of revaluation of assets

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ROCE Calculation



| Particulars | Rs. Crore | |
|--|---------------|---------------|
| | Dec-05 | Sep-05 |
| Net Fixed Assets (excl. CWIP) | 50,990 | 51,774 |
| Net Current Assets / Loans & Advances | 6,120 | 4,302 |
| Less : Revaluation Reserve | (5,188) | (24,852) |
| Add : Revaluation depreciation withdrawn from general reserves | 2,563 | 2,563 |
| Operating Capital Employed | 54,486 | 33,788 |
| Average Capital Employed | 44,137 | 34,824 |
| Operating Profit Before Interest, Deferred Tax and Other Income | 1,966 | 2,657 |
| Annualised ROCE | 17.8% | 30.5% |

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Liquidity Ratios



| Ratios | FY05 | Q2 FY06 | Q3 FY06 |
|---------------------|------|---------|---------|
| Gross Debt : Equity | 0.45 | 0.37 | 0.37 |
| Net Debt : Equity | 0.26 | 0.18 | 0.28 |
| Net Gearing | 20% | 16% | 22% |
| Interest Cover | 6.0 | 7.7 | 6.5 |

RIL's leverage is conservative from historic perspective and in comparison with global peers

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Conservative Debt Profile



| | 31-Dec-05 |
|--------------------------------|-----------|
| Weighted Avg. Cost of Debt (%) | 7.2 |
| Avg. Maturity of Debt (years) | 4.5 |
| Forex Debt (%) | 59.0 |

- Moody's upgraded RIL two notches to investment grade Baa3, and will continue to review for a further upgrade to Baa2 on completion of the demerger
- S & P upgraded RIL to investment grade BBB
- Crisil has reaffirmed "AAA" grade, the highest domestic rating

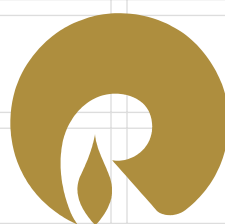
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Capex

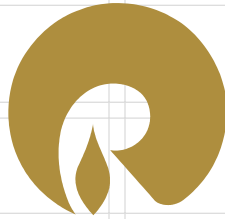


| (in Rs crore) | 9M FY06 |
|------------------|---------|
| E & P | 1,251 |
| Refining | 2,028 |
| Retail Marketing | 738 |
| Petrochemicals | 2,400 |
| Common | 383 |
| Total | 6,800 |

Capex 71% of Cash profit

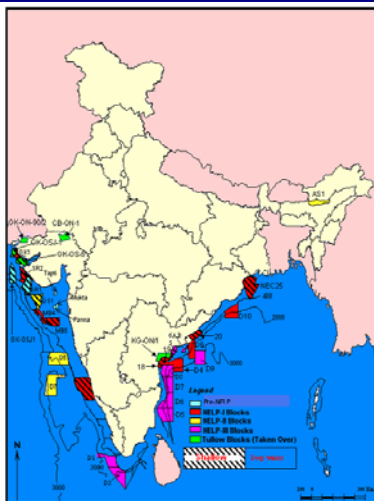


Business Review



Exploration & Production (E&P)

E&P Portfolio



- Producing Assets - Panna-
Mukta & Tapti
- Exploration Blocks - 34
blocks in India and one each
in Yemen and Oman
- Exploration Acreage - about
340,000 sq.km.
- Coal Bed Methane - 5 blocks
(4,000 sq.km.)

Highlights for the Quarter



- First overseas venture in Yemen started yielding results - Oil production started at around 2000 BOPD
- Drilled second exploratory well in KGIII6 – oil discoveries notified to DGH
- Drilled two Development wells in KGD6 – increased our confidence on reserves and upside potential of the block
- 2 exploratory wells are currently in progress in KG basin – one each in KGD6 & KG 20
- Co-operation Agreement signed with Ecopetrol of Columbia for farm-in opportunities in Columbia

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Status – Panna-Mukta and Tapti



- Total Oil production for the quarter was at 412,327 MT an increase of 13% over previous quarter. Gas production was at 32 BCF same as the previous quarter.
- Crude price continued to be high - Average realization for the quarter is around \$58.78 per bbl as against Q1 and Q2 of \$50.98 and \$58.90 per bbl
- Additional development in Panna Mukta is in progress and scheduled to be completed by June 2006

Higher margins buoyed by high crude prices

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Status – KG D6 Development



- Peripheral Bund construction at onshore terminal site completed. Dredging and Site filling contract awarded.
- Two Development wells drilled and core samples obtained. Core Analysis has commenced.
- Project Management Contract under finalization – to be awarded shortly
- Major contracts for development to be awarded by calendar Q1-2006.
- Commercial production expected in 2008

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Status – NEC 25



- Gaffney Cline & Associate, UK submitted independent assessment of OGIP for drilled prospects at 2.3 TCF(2P) with a further upside potential of 8.2 TCF. This covers only 20% of the block area. Further exploration is in progress.
- MoEF has now permitted drilling throughout the year under monitoring by Govt. agencies.
- Met Ocean Studies completed
- Commerciality report for the discoveries in the block approved by partners & submitted to DGH / MC for approval
- Acquired additional 1700 sq. km. of new 3D seismic data.

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Status – Coal Bed Methane



Sohagpur East & West CBM Blocks

- Till date, 19 information wells and 10 production test wells have been drilled. CBM gas estimated at 3.65 Tcf - as certified by the DGH.
- Plans being finalised to produce commercial CBM first time in the country by mid 2009.
- Next 3-5 yrs plan - Over 1100 wells in 1200 sq.km area at approximately Rs.2200 cr.

Sonhat CBM Block

- 10 information wells drilled till date.- 5 production test wells planned in the next quarter. Geological assessment for determining commercial CBM potential is in progress

Rajasthan East & West CBM Blocks

- Exploration campaign launched in December, 16 information wells to be drilled in next 6 to 8 months for ascertaining potential of these two blocks.

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Overseas Assets



■ **Yemen: Block 9**

- Oil Production started on 12th December 2005 with an initial rate of around 2000 BOPD. Sweet Crude with gravity of 34° API.
- Oil currently being sold to Yemen Govt. nominee, detailed off-take arrangement being worked out
- Early Production Facility is under construction to increase production to 8000 -10000 BOPD by end of Q1 '06 – plan to increase production to 20,000 BOPD by end 2006.

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Overseas Assets

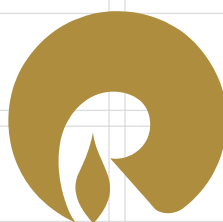


■ Oman

- 2D reprocessing activity underway. Likely to be completed by the end March 2006
- EIA draft report under internal review. Final report likely to be submitted to the Ministry by End January.
- Tendering process initiated for Multi-beam Bathymetry and Backscatter surveys

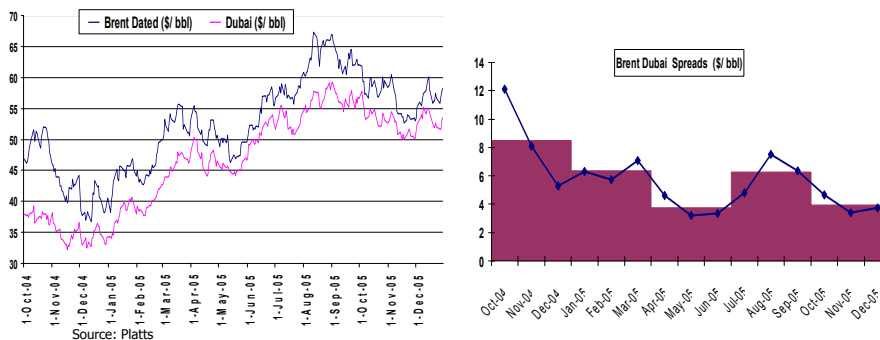
■ Columbia

- Co-operation Agreement signed with Ecopetrol of Columbia for farm-in opportunities in Columbia
- Farm I to San Gabriel block expected to be completed by February 06



Refining & Marketing (R&M)

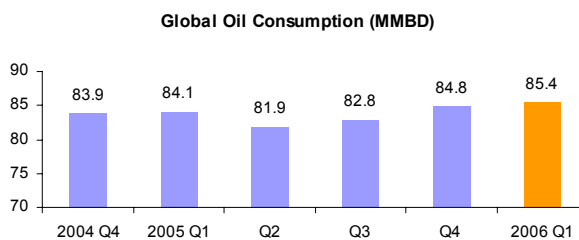
Global Oil – Remains Stronger



- Around 5% downward correction in Oil prices (vs. Q 2 2005-06), but still strong
- Brent Dubai spreads have declined compared to Q2 2005-06

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Global Oil Consumption

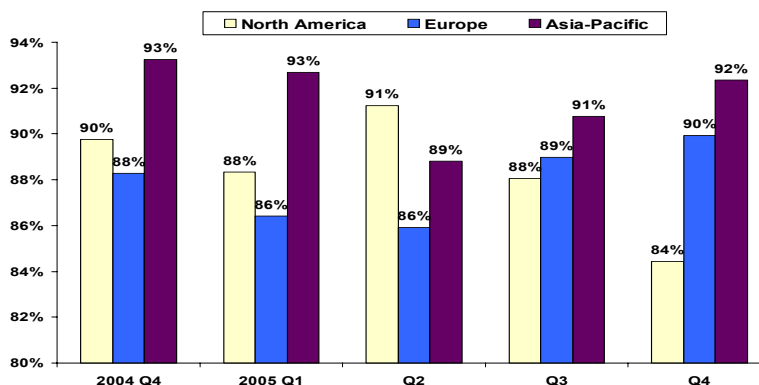


Source: IEA

- Global oil demand growth continues to remain strong
- Year-on-Year demand growth of close to 1.8% anticipated for Cal '06

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Global Refining Operating Rates



Source: ESI

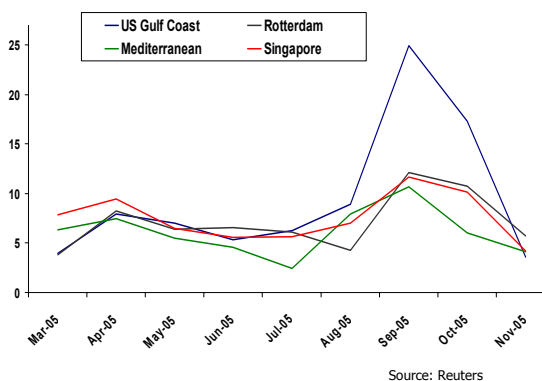
Oct-Dec quarter saw higher operating rates in Europe and Asia Pacific but lower operating rates in N. America due to Katrina and Rita hurricanes

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Global Refining Margins in \$/ bbl



- Globally margins retreated from the peak levels in Aug/Sep, when it was high due to Katrina / Rita.
- Outlook for Q1 2006 is strong due to strong demand growth coupled with extensive maintenance schedule of US refineries in March 06



Source: Reuters

- Q3 average Singapore complex margins at US\$ 6.0 per barrel – much above the five year average of US\$ 4 per barrel
- RIL continues to show superior GRMs of US\$ 9.1 /bbl during the quarter, higher by US\$ 3.1/bbl compared to Singapore complex margins

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Highlights : RIL Performance



- Partial shutdown of Jamnagar complex during Oct/Nov'05. Shutdown successfully completed with all units commencing normal operations
- Planned maintenance, Value Maximisation Project (VMP) and Quality and Yield Improvement Project (QYI) project completed
- 6.7 million tons crude processed in Q3
- Domestic sales contribute 61% of overall volumes during Q3

Crude processed lower due to scheduled shut down for maintenance

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Demand Growth in India - Petroleum Products



| '000 MT) | Q3 FY05 | Q2 FY06 | Q3 FY06 | % change wrt | |
|--------------|---------------|---------------|---------------|--------------|-------------|
| | | | | Q3 FY05 | Q2 FY06 |
| MS | 2,021 | 2,090 | 2,129 | 5.3% | 1.9% |
| HSD | 9,937 | 8,954 | 9,873 | -0.6% | 10.3% |
| LPG | 2,593 | 2,486 | 2,613 | 0.8% | 5.1% |
| ATF | 742 | 751 | 845 | 13.9% | 12.5% |
| Naptha/NGL | 2,580 | 2,745 | 2,166 | -16.1% | -21.1% |
| TOTAL | 26,021 | 25,408 | 25,486 | -2.1% | 0.3% |

- Lower Naphtha consumption due to shift to Natural Gas
- Higher ATF demand due to growth in the Aviation industry

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Refinery Product Sales



| (in million tonnes) | Q3 FY05 | Q2 FY06* | Q3 FY06 |
|---------------------|---------|----------|---------|
| PSU | 1.90 | 1.65 | 0.67 |
| Captive | 1.76 | 1.65 | 1.16 |
| Retail | 0.27 | 0.64 | 0.92 |
| Others | 1.22 | 1.34 | 1.13 |
| Exports | 2.79 | 2.71 | 2.46 |
| Total | 7.94 | 7.99 | 6.34 |

*Updated

Over 1,000 retail outlets operational by December 2005 compared to 850 in September 2005

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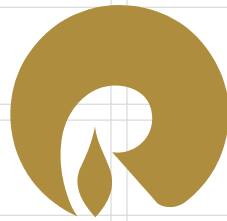
Reliance Petroleum Ltd - Export Refinery Project



- Environmental clearance for JERP obtained
- Selection of technology licensors completed –UOP/Foster Wheeler/Exxon Mobil
- Bechtel has been appointed as the EPPCM Contractor
- Front End Engineering is 50% complete
- Procurement of Major equipments (including high value and long lead items) commenced

Project expected to commence production in 2H FY 09

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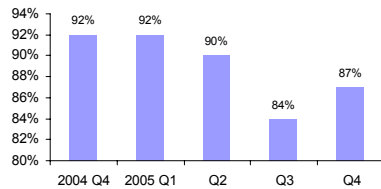


Petrochemicals

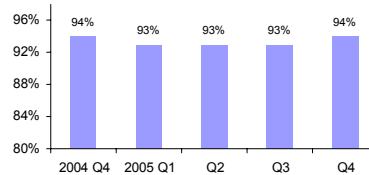
Operating Rates



North America Operating Rate



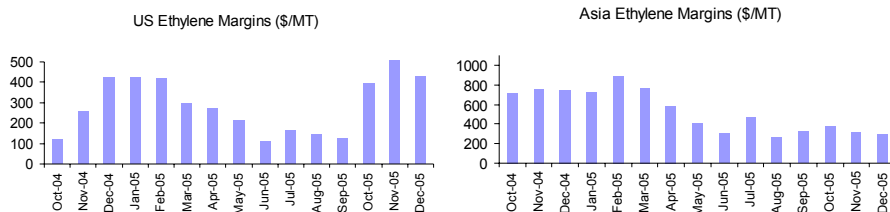
Asia Operating Rate



Sources – ICIS LOR

Ethylene operating rates improved to 87% in the North America after hurricanes impact in the previous quarter – Asian operating rates continues to remain high

Ethylene Cash Margins



Source – CMAI

Ethylene prices continues to remain high, however margins remained soft in Asia due to higher feedstock prices

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Business Dynamics



- Gas prices in North America continue to remain high. Producers successful in passing on the increased costs
- Hurricane impacted plants now back on stream but accident effected plants (BP & Formosa) and delayed turnaround (Nova) adding to capacity outage
- High volumes of Asian product moved to North America
- North American prices now beginning to come under pressure – raw material (gas) prices have also softened

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International Prices



| (US\$/MT) | Q3 FY05 | Q3 FY06 | Change | Q2 FY06 | Q3 FY06 | Change |
|-----------|---------|---------|--------|---------|---------|--------|
| Naphtha | 390 | 469 | 20.3% | 490 | 469 | -4.3% |
| Propylene | 987 | 988 | 0.1% | 956 | 988 | 3.3% |
| EDC | 550 | 314 | -42.9% | 301 | 314 | 4.3% |
| PE | 1075 | 1056 | -1.8% | 1048 | 1056 | 0.8% |
| PP | 1107 | 1097 | -0.9% | 1100 | 1097 | -0.3% |
| PVC | 954 | 821 | -13.9% | 784 | 821 | 4.7% |
| POY | 1397 | 1333 | -4.6% | 1267 | 1333 | 5.2% |
| PSF | 1254 | 1176 | -6.2% | 1113 | 1176 | 5.7% |
| PTA | 854 | 810 | -5.2% | 801 | 810 | 1.1% |
| MEG | 1086 | 814 | -25.0% | 824 | 814 | -1.2% |

Source – Platts, ICIS (SEA prices)

Prices remained soft on Y-o-Y basis – however improved from trailing quarter

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Domestic Prices



| (Rs. / kg) | Q3 FY05 | Q3 FY06 | Change | Q2 FY06 | Q3 FY06 | Change |
|-------------|---------|---------|--------|---------|---------|--------|
| Naphtha | 19.6 | 22.9 | 16.8% | 23.2 | 22.9 | -1.3% |
| Propylene | 48.1 | 47.2 | -1.9% | 38.6 | 47.2 | 22.3% |
| EDC | 28.9 | 14.9 | -48.4% | 13.9 | 14.9 | 7.2% |
| PE | 59.8 | 57.4 | -4.0% | 56.3 | 57.4 | 2.0% |
| PP | 60.7 | 60.0 | -1.2% | 57.8 | 60.0 | 3.8% |
| PVC | 50.6 | 42.6 | -15.8% | 42.7 | 42.6 | -0.2% |
| POY | 75.8 | 67.8 | -10.6% | 71.9 | 67.8 | -5.7% |
| PSF | 71.2 | 66.8 | -6.2% | 63.3 | 66.8 | 5.5% |
| PTA | 48.3 | 44.8 | -7.2% | 40.7 | 44.8 | 10.1% |
| MEG | 65.3 | 46.4 | -28.9% | 42.2 | 46.4 | 10.0% |

Domestic prices generally moved in line with the international prices on a Y-o-Y basis

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Polyester - Business Environment



- Improvement in cotton prices to help ease pressure on polyester prices
- Rising textile exports from India
 - Exports to the US up 25% (Jan '05 to Oct '05)
 - Highest next only to China
- Industry operating rates
 - India: 75% - 85%
 - China: 65% - 75%
 - Taiwan: 52%
 - Korea: 50%
- New capacity commissioned in China: 1.2 Mn Tonnes in Q3 FY '06

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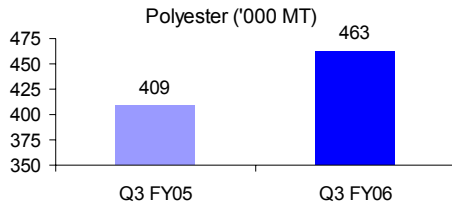
Polyester: Status of Expansion



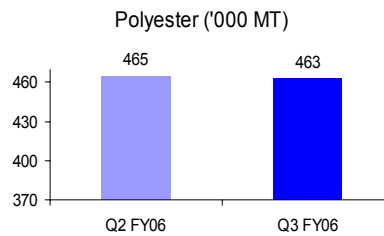
- Filament expansion: 320 KTA
 - Patalganga capacity commissioned - Full capacity by Mar '06
 - Hazira: Expected to be commissioned by Mar '06
- Fibre expansion: 230 KTA
 - Expected to be commissioned by Mar '06.

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Domestic Demand - Polyester

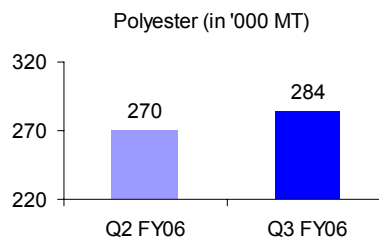
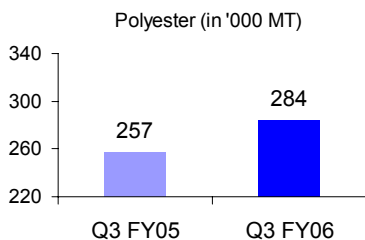


Demand for Polyester is up 13% on Y-o-Y basis and remained flat on sequential basis



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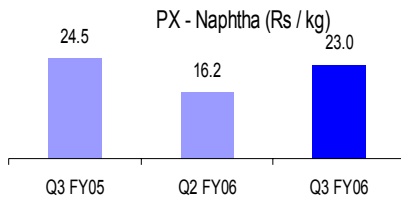
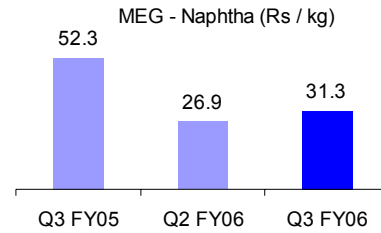
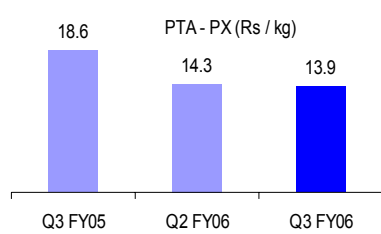
Polyester Production



RIL's polyester production increased 11% Y-o-Y due to increased capacity utilisation of new PET plant

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Polyester Intermediates Deltas



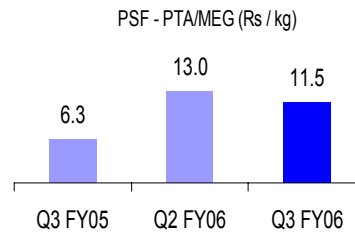
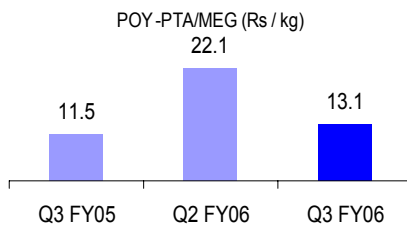
PTA and MEG delta declined on Y-o-Y basis due to lower price

MEG margin improved on sequential basis due to higher realization

PX delta high on account of higher international price

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Polyester Deltas



Q3 deltas lower compared to trailing quarter because of higher raw material price

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Polymer – Business Environment



- No new cracker start up during 3Q'FY05-06 : Margins above historic averages
- Crude and Naphtha prices witnessed drop during Oct / Nov'05, however prices rebound in Dec'05 – polymer prices followed the same trend
- US witnessed soaring imports during the quarter due to
 - Continued effect of Katrina and Rita
 - Lower operating rates
- Comparatively weak demand in Europe and North East Asia (lowest in the calendar 2005)
- Domestic Polymer Industry witnessed ~ 21% Y-o-Y growth

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The China Factor

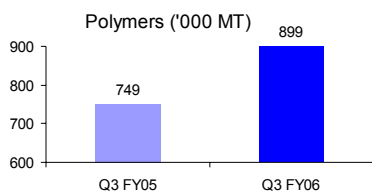


- Dominant player - 21% of global demand
- Continues to be import dependent, 35% demand met by imports
- In 2005 demand growth was 37% of global polymer demand growth (Global ~ 8 MMTA, China ~ 3 MMTA)
- PVC capacity addition 3.2 MMTA, Production up 27%. Imports dropped by 23%
- Polyolefins (PP / PE) LDPE capacity addition was 700 KTA. Imports up 9% (LL imports up by 53% due to reduction in import duty to 6.5%)
- Discouraging export of low value added plastic finished goods :
 - Plastic Articles exports till Nov 05 shows 7.2% growth as compared to >15% growth in earlier years
- Domestic demand for polymers remained steady during 3Q'FY05-06

Source – CMAI

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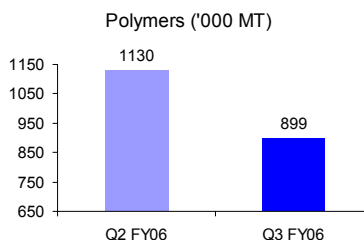
Domestic Demand - Polymers



| | 9 Months | Q-o-Q |
|--------------|----------|-------|
| PP | 13% | -21% |
| PE | 20% | -19% |
| PVC | 32% | -22% |
| Total | 21% | -20% |

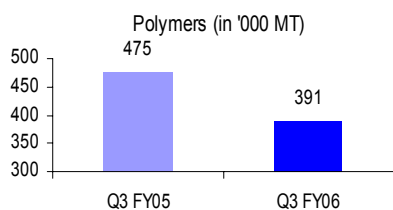
Strong polymer demand continues
– up 21% this year.

However demand declined 20% in
Q3 compared to trailing quarter
due to seasonality.

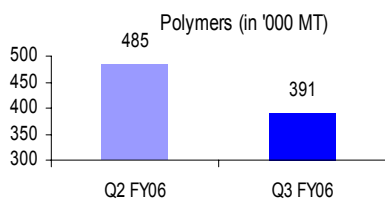


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Polymer Production

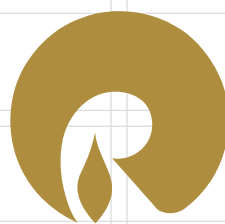
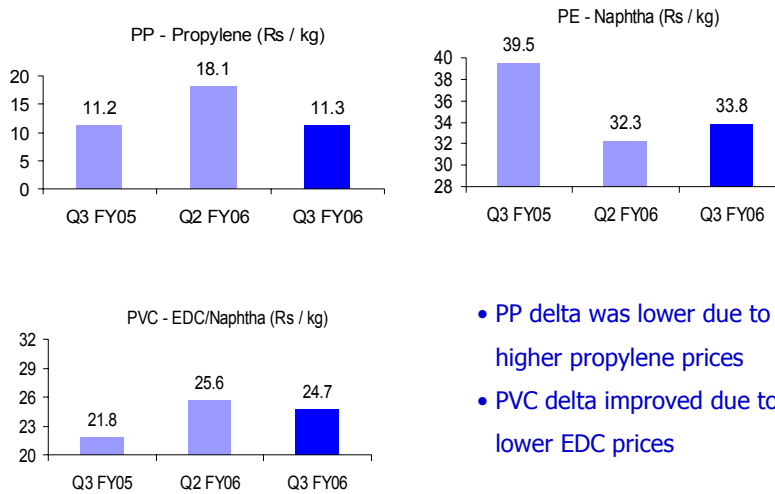


Polymer production
declined due to
maintenance shutdown
of PP facility at
Jamnagar



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Polymer Deltas



Summary

Summary



- Successful completion of the first major shutdown of the refinery since commissioning
- Business environment for both major business segments remain healthy, strong operating performance expected to continue
- Planned petrochemical expansion in Polyester and Polymers to be commissioned between Q4 FY06 to Q2 FY07
- Refining capacity to double with investment of \$ 6 bn at Jamnagar – full benefit from FY10
- E&P targeted to make significant contribution to earnings from FY09

Strong growth momentum in all major businesses

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Valuations – RIL v/s Global Peers



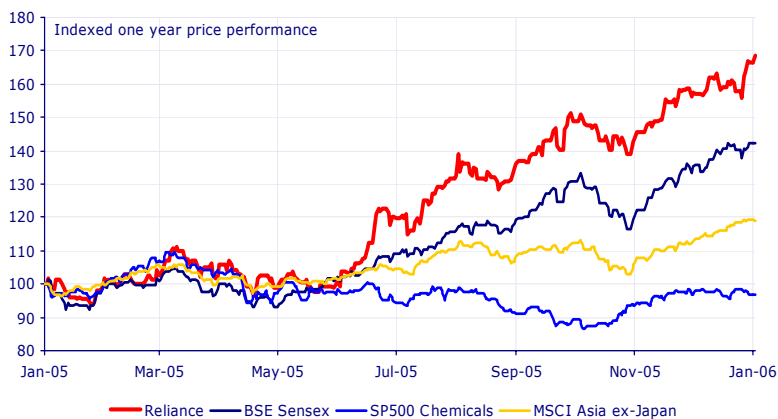
| Median | PE | P/BV | EV/EBITDA |
|------------------------|------|------|-----------|
| Global Chemical Majors | 7.5 | 1.9 | 4.9 |
| Global Energy Majors | 7.3 | 2.2 | 4.4 |
| BSE Sensex | 15.4 | 4.4 | 8.6 |
| Reliance | 12.1 | 3.2 | 8.1 |

Source – Research Reports

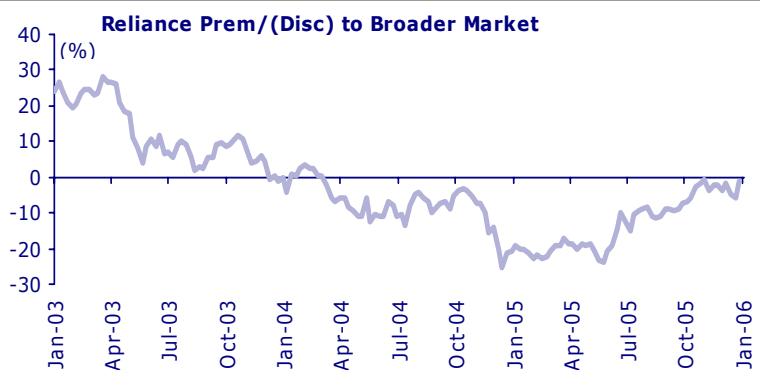
RIL valuation favorable to international chemical and energy companies, however at a discount to the local benchmark

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Reliance: Superior Stock Performance

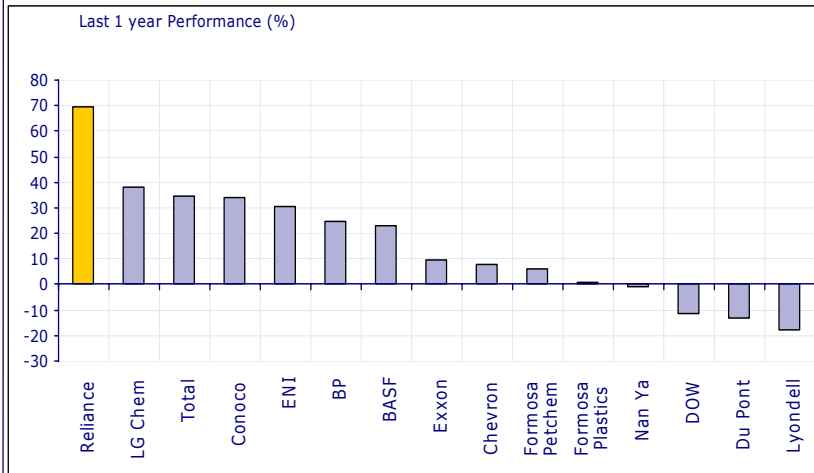


PE Discount to Broader Market – ex-Tech



RIL discount to the broader market reduced substantially – now trades in line with the broader market (ex-tech)

Outperforming the Global Peers in Energy and Chemical sectors



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Views on Petrochemicals



Ethylene Chain Margins To Remain Strong In 2006 (Merrill Lynch)

While prices and margins will undoubtedly decline from current unsustainable levels, full-year 2006 ethylene/PE margins are likely to be above 2005 levels. While ethylene/PE availability has improved from critically low levels reached in September/October, U.S. ethylene production should remain constrained in 2006, particularly in the first half of the year, as planned and unplanned outages reduce US ethylene supply by as much as 7% in 2006 – only slightly below the 10% largely hurricane-induced capacity-loss in 2005. Furthermore, we see US demand rebounding 7% in 2006 after a 5% decline in 2005 due primarily to a drawdown of derivative inventories.

Has The Cycle Reached Its Peak? NO! (CSFB)

As for the length of the cycle, we revert to the global capacity growth anticipated in the coming two years. Based on announced olefins expansions, plant construction delays being experienced in the Middle East, and GDP growth of 3.5% in North America, 1.5-2% in Western Europe, and 8-9% in emerging Asia, the global operating rate for ethylene should remain in the low 90s through 2007.

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Views on Refining



Capacity addition remains limited until 2008 (ABN AMRO)

Overall, we see the current weakness in refining margins as temporary and argue that the macro trend of tight refining capacity is still intact. We therefore remain bullish on the refining sector and believe the cycle will remain strong until 2007. We also add there is nothing inconsistent about higher refining margins and lower oil prices. The caveat to this is the risk that demand comes in a lot weaker than we expect. Our current forecast is for a 3% yoy increase in product demand for 2006 vs just 1.8% in 2005.

Outlook for 2006 – Refining (J P Morgan)

- Refining fundamentals remain supportive – near, mid, and long-term
- Distillate market likely to remain tight this winter
- Heavy spring turnaround schedule
- Ultra-low sulfur diesel regulations should complicate logistics
- Phase out of MTBE should reduce gasoline supply
- Crude quality differentials expected to remain wide
- New refinery projects do not change supply/demand balance
- Stocks not fully pricing in bullish fundamentals, in our view

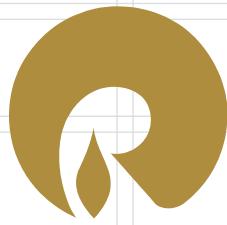
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Demerger Update



- RIL board approves the scheme of demerger on 05 Aug 05
- Court approves EGM and Creditors approval of the plan
- Record date set for 25th Jan 05
- Stock exchanges announce ex-benefit date from 18 Jan 2006
- Special 1 hour trading session on 18 Jan to help shareholders derive / realise ex-demerger share price of RIL.

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Growth is Life

Thank You