



Reliance Industries Limited

Investors Presentation – Jaipur, India

February 2006

Coverage



Reliance Industries- Overview

Business Review

Summary

Reliance Industries Limited



- Global rankings in most key businesses – integrated energy company in Refining and Petrochemicals poised for large gains in the E&P sector
- Large part of Indian business and capital markets, driven by organic growth
- India's largest private sector and only Fortune 500 company
- Annual exports in excess of US\$ 6 billion to over 100 countries
- Committed to large investments in key businesses – refining and petrochemicals – US\$ 8-9 Billion in next 4-5 years
- Conservative balance sheet – annual cash flow at US\$ 2.8 Billion, net gearing at 22%

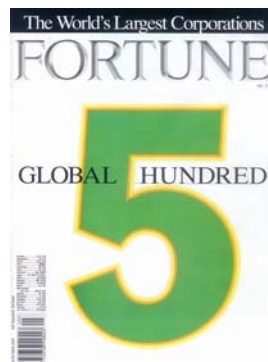
Integrated business chain, Strong business profile, Conservative balance sheet, Poised for exponential growth

Global Ranks



Amongst the 200 most Profitable Companies in the Fortune Global 500 List

	Global Rank
Net Profit	183
Net Worth	245
Assets	357
Net Sales	417



India's only private sector company to feature in Fortune Global 500 list

Domestic Leadership & Global Rankings



Leading Market Shares in India

Polyester	55%
Fibre Intermediates	78%
Polymers	65%
Refining	28%

Dominant market share in India

Leading Global Position

1 Polyester (Fibre & Yarn)	4 Paraxylene
3 Refining ⁽¹⁾	6 Purified Terephthalic Acid
7 MEG	7 Polypropylene

Amongst top 10 global players in all its core businesses

(1) At any single location

Significant position in the global petrochemical and energy business

India's No. 1 Private Sector Company



- Revenues US\$ 16.7 billion
- Cash Profit US\$ 2.8 billion
- Net Profit US\$ 1.7 billion
- 98% of revenues from Refining and Petrochemicals, and balance from E&P (Oil & Gas)

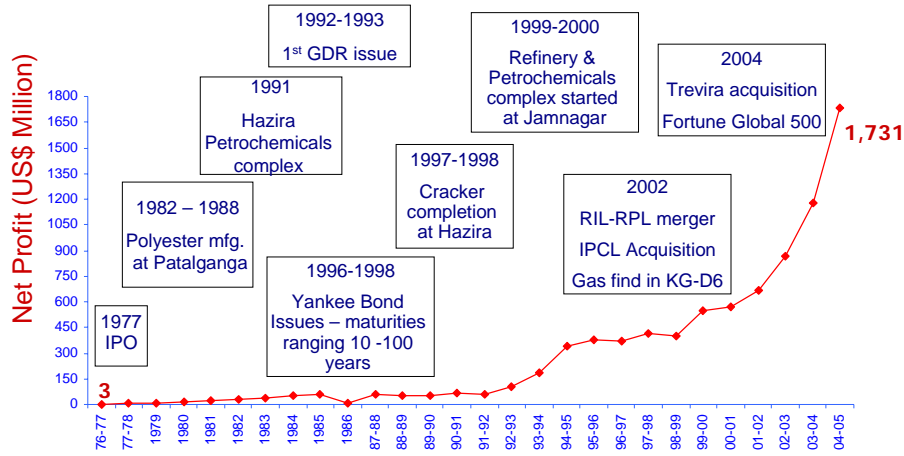
India and Reliance

- Revenues equivalent to 2.6% of India's GDP
- 8% of India's total exports
- Contributing 8% India's indirect taxes
- 4.8% of the total market capitalisation
- 11.5% weightage in Sensex

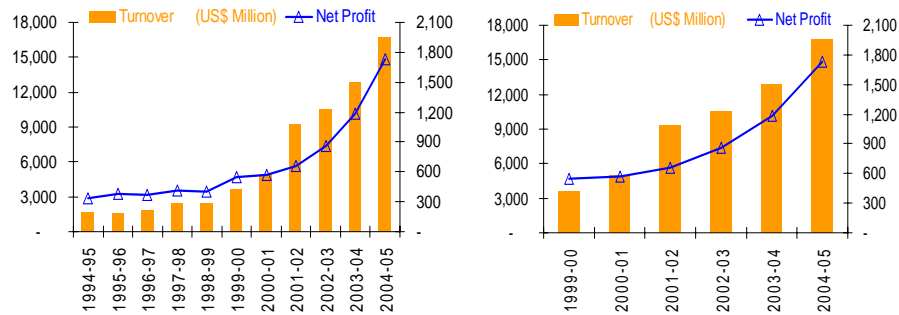


US\$ 17 billion
enterprise created
in 30 years

Journey of Phenomenal Growth



Consistently Accelerating Growth



CAGR over the last 10 years : Revenues 26% and Net Profit 18% in USD term. Growth accelerates in the last 5 years

Reliance - Robust Growth



(in US\$ Million)	FY 2000	FY 2005	CARG % (5 Years)
Revenues	3,633	16,725	35.71
Net Profit	551	1,731	25.73
Cash Profit	857	2,763	26.38
Total Assets	6,733	18,422	22.30
Market Cap *	7,644	24,055	25.77

* Pre De-merger

Current Market Cap (post de-merger) of US\$ 22 billion - Market cap addition of US\$ 15 billion in the last 5 years

Key Ratios



Ratios	FY05	3QFY06
Gross Debt : Equity	0.45	0.37
Net Debt : Equity	0.26	0.28
Net Gearing	20%	22%
Interest Cover	6.0	6.5

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

“Mantras” for Success



- World scale, and world class projects with state-of-the-art technologies
- Integration across the value chain
- Global competitiveness and leadership in chosen areas of business
- Highest standards for Health, Safety and Environment
- Financial conservatism
- Consistent overall shareholder value enhancement

Our Mantras make us what we are: India's Global Enterprise

Global Competitiveness



- Reliance is India's largest exporter with export revenues of US\$ 5.8 billion
- Share of exports increasing – now at 35% of turnover
- Exporting to 101 countries with refining contributing 80% and the balance coming through petrochemicals
- Significant cost advantages due to integration and location advantages

Exports demonstrate the international quality of our products, and the ability to compete with global leaders

Pioneering Financial Transactions



- First Indian private sector company to tap GDR and FCCB markets
- India's first issuer of Yankee Bonds, Sterling Bonds and European private placement bonds
- Asia's first to issue 50 and 100 years bonds in the US debt markets
- India's first private sector company to be rated by International rating agencies – now rated higher than sovereign rating
- Recent transactions include
 - Refinancing of USD 750 million of existing loans
 - Two ECBs of USD 350 million - First Multi-currency (JPY, USD, EUR) transactions in India

First Indian private sector company to tap International Capital Markets with Pioneering Issues

Coverage

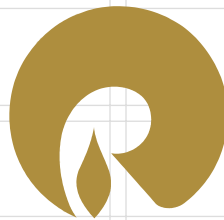
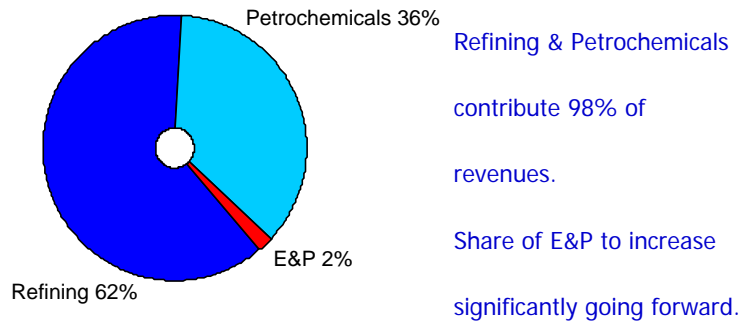


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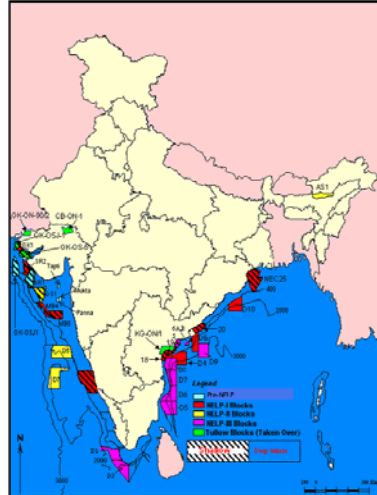
Summary

Business Mix for 9 months FY06



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.)

Reserves



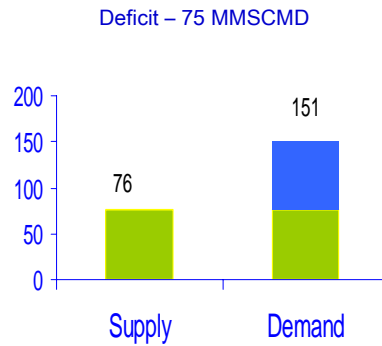
- World largest gas discovery in 2002 - Krishna-Godavari basin (14 TCF OGIP) – further potential upside under exploration
- Discovery in NEC-25- puts Mahanadi offshore to petroliferous map of India (2.3 TCF OGIP)
- Discovered CBM Gas – puts Coal Bed Methane in the map of India (3.65 TCF OGIP)

2008-09 will be a watershed change with E&P contributions to overall revenue increasing significantly

E & P – Exponential Growth Opportunity

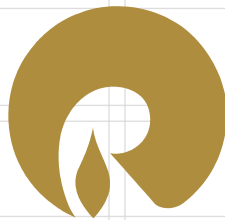


- India hugely deficit in energy
- Current gas demand 151 million cubic meters per day (MMSCMD)
- Domestic supply of gas just 76 MMSCMD – deficit of 75 MMSCMD
- Increasing demand over the next 5 years from power, fertilizer, petrochemicals, etc.



RIL now invests US\$ 300 - 500 million annually on Exploration.

E&P likely to contribute 15-20% of revenue by 2010



Refining & Marketing (R&M)

India – Amongst the World's Largest Markets



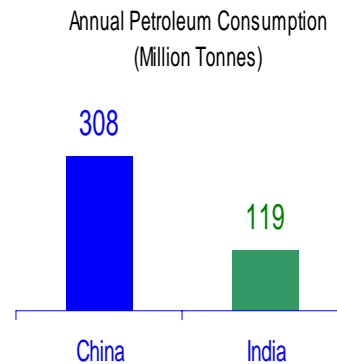
	Per Capita Consumption (kg. p.a.)	Annual Consumption (Million Tonnes)
India	108	119
China	246	308
North America	3,205	1,122
World	627	3,767

Petroleum products demand in India has grown at 5-6% annually over the last decade - per capita consumption is still amongst the lowest in the world

Fuel Retail Marketing



- New road building initiatives - over 10,000 kms of highways under construction
- Demand for transportation fuel growing at 7-8%
- Reliance with 25% of domestic refining capacity, fully geared for downstream integration
- Nationwide rollout of 1,500 outlets by mid 2006 with 1000 outlets already operational



Retailing of petroleum products is the next big opportunity

World-Class Refinery



- World's 3rd largest refinery with capacity of 33 million tonnes per annum
- A complex refinery integrated with petrochemicals, captive power & port – Nelson index of 13.7 (incl. petrochemicals)
- Proximate to crude supply sources and markets
- Consistently earning \$2 - \$3 / bbl GRMs above the Singapore Complex Margin
- Exporting products to the most quality conscious markets such as the US, Europe and Japan

Among the top quartile in productivity, efficiency and technical complexity

New Refinery Project - Rationale



- Robust demand outlook; structural shortage in global market
- Rapid growth in demand for light and middle distillates
- Asia and China are the attractive growth drivers
 - Growing at nearly double the global growth rates
 - Regional deficit to widen even with planned new capacities
- GRM outlook positive; both immediate and medium term
- Growing light – heavy differentials offer promises for complex refineries
- Extensive synergies with existing refining operations

Early entrant will reap benefits of higher margins

Implementation Plan & Progress So Far



- Usage of proven technology
- UOP to be Managing Licensor
 - Licensor of more than 50% refineries built in recent years
- Bechtel appointed as Managing Contractor with single point responsibility
- Significant progress in recent months
 - Environmental clearance obtained
 - Selection of technology licensors completed
 - Bechtel appointed as EPPCM contractor
 - 50% of front end engineering completed
 - Equipment ordering underway

Fast track completion : Positive for margins

Reliance Petroleum Limited : Strategic Advantages



- Global size and scale
 - At 27 MTPA, will be amongst Top-10 refineries globally
 - 1.1 MTPA polypropylene capacity
- Superior complexity
 - Complexity index of 14.5
 - Higher than RIL's existing refinery at Jamnagar
- Strategic Location
 - Proximity to Crude source
 - Logistic advantage for exports
- SPV benefits – 100% export oriented – short/medium term fiscal advantage

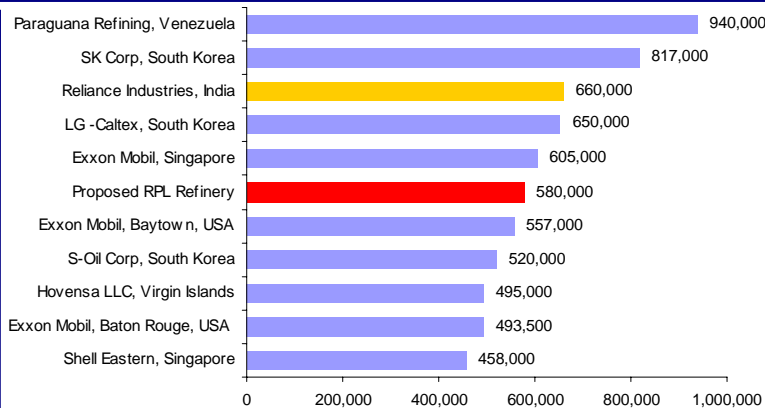
Reliance Petroleum Limited : Value Creation



- Will help unlock value for existing RIL shareholders
- Provide an opportunity to new investors to participate in pure refining opportunity and Reliance's growth
 - Listing to provide valuation benchmark thereby helping unlock immediate value
 - Ring fence new refinery business with differentiated business model, focused business management and administration
 - Capture the conducive market opportunity for capital raising
- Enable options of bringing in strategic/ financial partners going forward
- Allow RIL to conserve cash flows for emerging opportunities in order to accelerate the process of further value creation for all classes of shareholders

World's Largest Refineries

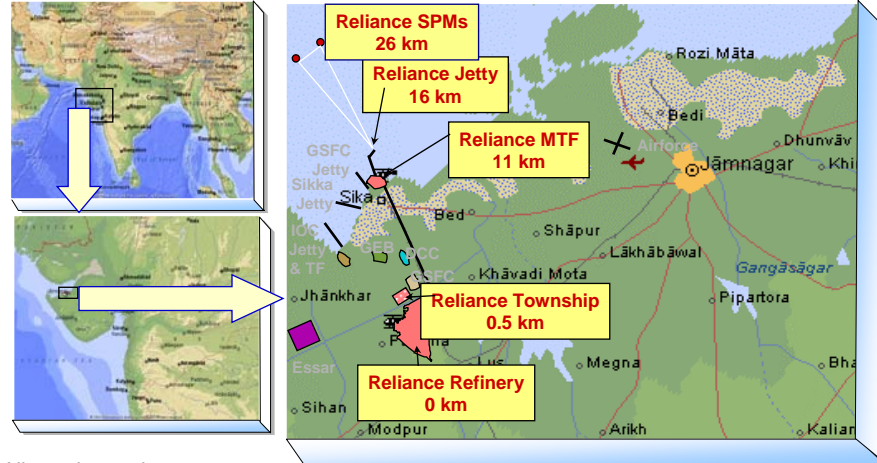
BPD



Source: Oil and Gas Journal

New Refinery to be amongst Global Top 10 in size

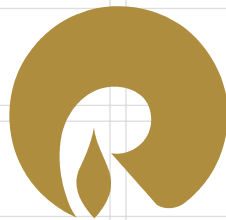
Jamnagar Location Advantage



All weather -- deep sea port enabling round the clock, round the year operation

Rail, Road, Airways linkage & major oil pipeline linkage

Proximity to crude Persian Gulf



Petrochemicals

India's Leading Petrochemical Player



Diverse Product Range

- Polymers, Polyester, Polyester Intermediaries
- Cracker Products (Ethylene and Propylene)
- LPG and Chemicals (Linear Alkyl Benzene, Normal Paraffin)

Market Dominance

- 70% of domestic polymers market
- 55% of domestic polyester market

Unrivalled Performance

- Capacity utilisation rates 100% plus
- Record production of nearly 12.5 million tonnes in FY05

Strategic Acquisition of IPCL

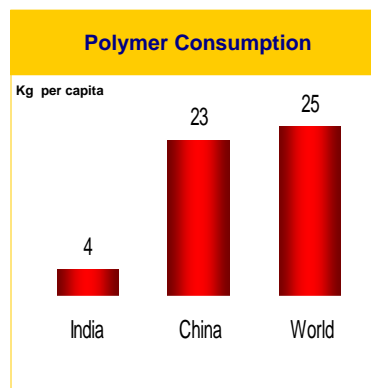
- IPCL - India's 2nd largest petrochemicals company
- Enhanced competitive advantages - feedstock integration; infrastructure sharing

Reliance's global scale, competitiveness and increasing emphasis on specialty products contribute to its leadership in the industry

India - High Market Potential



- India - one of the large and growing market for plastics in Asia
- India's per capita consumption is still amongst the lowest in the world - Less than 1/6th of the global average and less than 1/3rd of Asian average



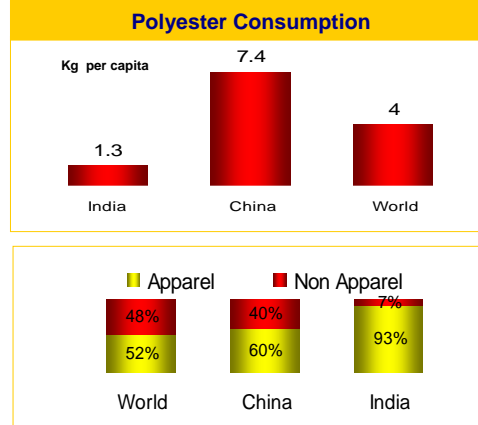
India is expected to be the 3rd largest market for polymers in the world by 2010

India - Polyester Growth Potential



Low per capita domestic polyester consumption

Polyester Opportunity – growth in non-apparel segment



Reliance to benefit with the expanded capacity of 2 million tonnes

Reliance - Polyester Opportunities



- Current operating rate in China around 70%, Taiwan and Korea at 60% and India at over 90%
- India stands to benefit from growing consumption and removal of quotas – market expected to grow by 8-10%
- Opportunities in non-apparel applications to fuel growth – Reliance's acquisition of Trevira allows access to over 150 IPs
- Reliance among few fully integrated producers including PTA, MEG and PX – provides stable margins across the chain

Reliance benefits from its integrated and low cost operations

Petrochemical Capacities



(in MT)	FY 2000	FY 2005	FY 2006-9 (P)
PP	360,000	1,430,000	1,710,000
PE	320,000	1,055,000	1,055,000
PVC	270,000	625,000	625,000
POY	270,000	550,000	870,000
PSF	315,000	570,000	800,000
PET	80,000	290,000	290,000
PTA	975,000	1,350,000	1,980,000
MEG	300,000	830,000	830,000
PX	246,000	1,646,000	1,956,000
Total, incl other chemicals	8,900,000	12,500,000	15,000,000

Planned expansion of 20% across the value chain

Coverage

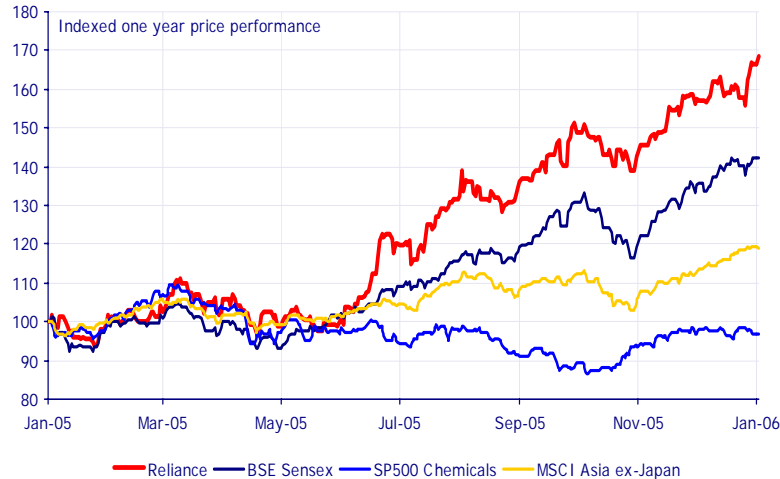


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Reliance: Superior Stock Performance



Strong Fundamentals



- **Strong Cash flows**
 - Existing businesses generating cash flows of US\$ 2.8 billion per annum
- **Solid Balance Sheet**
 - Total Assets have grown from US\$ 3.6 billion to US\$ 18.4 billion over the last 10 years
- **Conservative Gearing**
 - Debt to Equity ratio of 0.37, Net Gearing at 22%
- **Top end Credit ratings**
 - Baa3+Stable Outlook by Moody's
 - BBB+Stable Outlook by S&P (above Sovereign Rating)
 - AAA by CRISIL (S&P-India) for the past 11 years

Demonstrated capability to execute multi-billion dollar projects on the strength of own cash flows with marginal recourse to external borrowings

Investment in Growth Opportunities



- Expansion of petroleum refinery (US\$ 6 billion)
- Substantial investments in E & P (US\$ 4.5 billion)
- Increase in petrochemicals capacities (US\$ 1.6 billion)
- Creation of fuel retailing network (US\$ 1.5 billion)

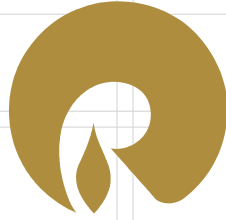
Investments of over US\$ 13 billion in next five years

Larger Strides Going Ahead



- Enhancing Refining capacity to 60 million tonnes to maximise revenue opportunity
- Petrochemical capacity of over 15 million tonnes with stable margins
- Gas assets of 18-20 TCF to capture local demand supply mismatch
- Allocation of capital to high potential, higher margin E & P business. E&P targeted to contribute 15-20% of revenues by 2010
- Conservative financial framework to deliver volume and sustained earning growth

What took us 30 years is being targeted
to be replicated in the next 5 years



Growth is Life

Thank You