



Reliance
Industries Limited

Investors Presentation

Deutsche Bank Conference - March 2007



RIL's Refinery At Jamnagar, India

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Reliance – Growth is Life

Reliance – Key Businesses and Initiatives

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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 – India’s Proxy



India and Reliance

- Revenues equivalent to 2.8% of India’s GDP
- 8.2% of India’s total exports
- 8% of Government of India’s indirect tax revenue
- 11.5% weighting in BSE Sensex
- Highest market capitalization for any private sector company

Note: all figures for the financial year ended March 31, 2006

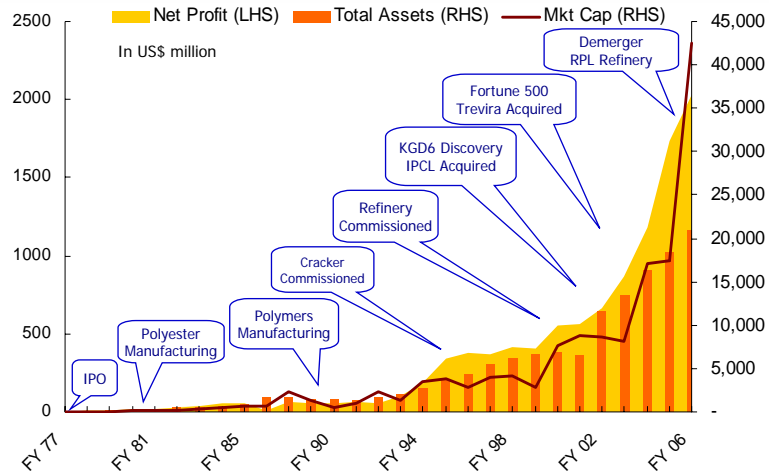
Global Ranks (Fortune Global 500)



Criteria	Global Rank
Net Profit	194
Net Worth	226
Net Sales	342
Assets	351

Reliance is mirroring India’s Growth

A Journey of Phenomenal Growth



Strong Fundamentals



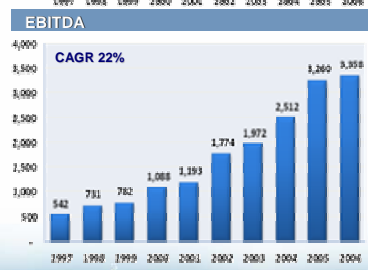
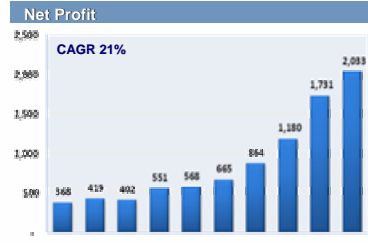
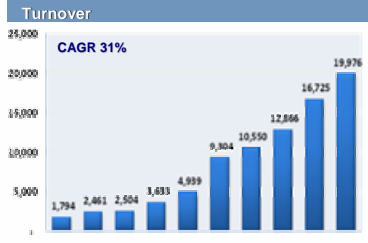
- Strong Cash flows - existing businesses generating cash flows of US\$ 2.9 billion per annum
- Solid Balance Sheet - Total Assets have grown from US\$ 4.3 billion to US\$ 20.8 billion over the last 10 years
- Conservative gearing – Net Debt to Equity ratio of 0.39, Net Gearing at 26% as on Dec 31, 2006
- Top end credit ratings
 - Baa2 Stable Outlook by Moody's
 - BBB Stable Outlook by S&P (above Sovereign Rating)
 - AAA by CRISIL (S&P-India) for the past 12 years

Implementing multi-billion dollar projects with conservative financing

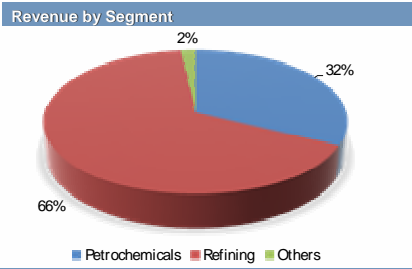
Superior Results through Organic Growth



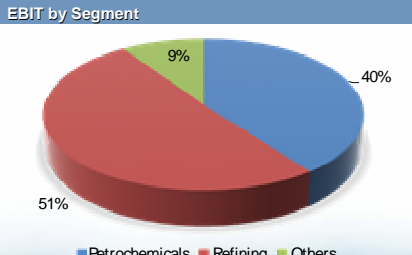
All figures in US\$ million



Business Segments



- ### Segments
- Refining and Marketing contributed 67% of revenues and 50% of EBIT in FY 2006 and 66% of revenues and 51% of EBIT for the first nine months of FY07
 - Petrochemicals contributed 31% of revenues in FY 2006 and 32% for the first nine months of FY07
 - Exploration & Production and Textiles form part of 'Others' that contributed 2% of revenues in FY 2006 and for the first nine months of FY07



Note: Others includes Exploration & Production and Textile segments
 Charts as on December 31, 2006
 (1) For the nine months ended December 31, 2006

Global Rankings and Domestic Leadership



DOMESTIC MARKET SHARE

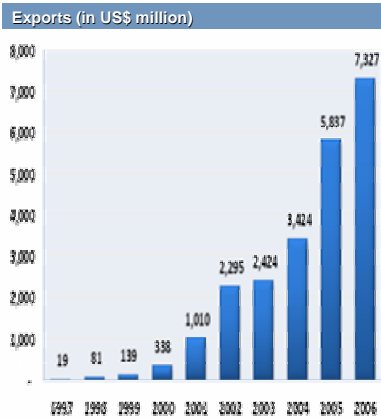


Note: market shares are as on March 31, 2006
 (1) At any single location
 (2) Including IPCL

Global Competitiveness



- Reliance is the largest exporter in India with exports of US\$ 7.3 bn¹
- Share of exports increasing – 58.3% of turnover²
- Exporting to over 100 countries
- Significant cost advantage due to integration and higher efficiency in operations



¹ For the financial year ended March 31, 2006
² For the nine months ended December 31, 2006

Exports demonstrating the international acceptance of our products

Track Record of Transformational Initiatives



- In the '70s, Reliance pioneered retail participation in the capital markets – has over 2.5 million retail shareholders
- Polyester opportunity – First manufacturing facility in 1981. Today the World's largest producer of Polyester fibre and yarn
- Refining – Created the world's largest grassroots refinery at Jamnagar, winner of the 'Hart's International Refiner of the Year' Award - 2005
 - Converted India from a net importer to being an exporter of petroleum products
- India's largest private sector player in E&P – set to address India's growing energy security needs

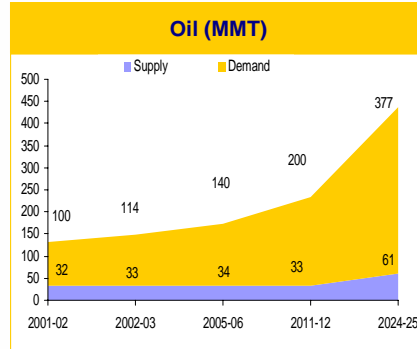
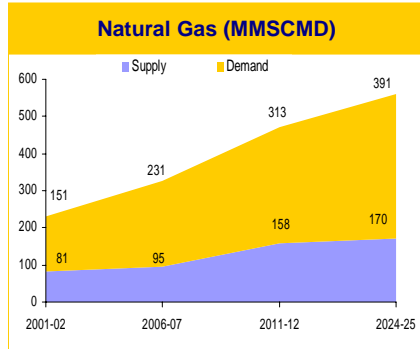
Ability to identify opportunities and execute flawlessly in record times

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Reliance – Key Businesses and Initiatives

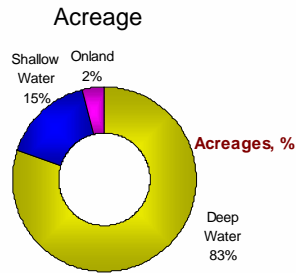
India's Widening Energy Deficit



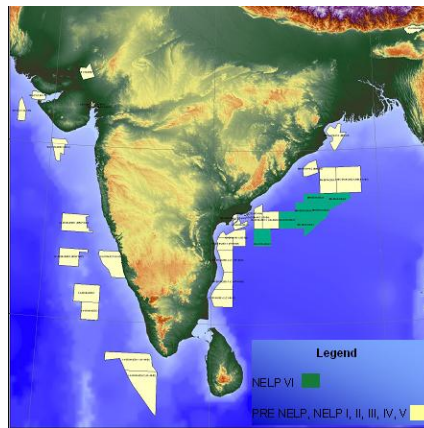
India's Energy Deficit Widening despite New Discoveries

Source: DGH India

RIL - Domestic E&P Portfolio



- Producing assets – PM, T
- 36 Blocks – 384,000 Sq KM
- 5 CBM blocks - 4,000 Sq KM

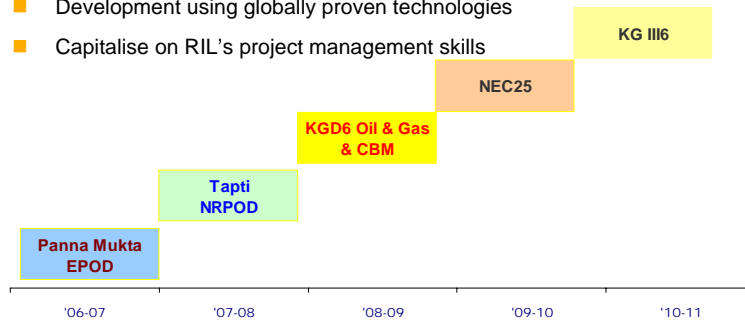


India's Leading Operator with focus on the highly prospective East Coast region

Creating Attractive Project Inventory



- Panna-Mukta EPOD, Tapti NRPOD & KGD6 under implementation
- Target to complete projects at globally competitive costs.
- Continued focus on exploration to maintain inventory
- Development using globally proven technologies
- Capitalise on RIL's project management skills



Significant contribution to RIL cash-flow on project completion

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Reserves



- World largest gas discovery in 2002 - Krishna-Godavari basin (11.3 TCF, 2P recoverable reserves) – with further potential upside under exploration
- Discovery in NEC-25- puts Mahanadi offshore to petroliferous map of India (2.3 TCF OGIP) - with further potential upside under exploration
- CBM Gas – puts Coal Bed Methane in the map of India (3.65 + 1.5 TCF OGIP)
- Crude oil discovery notification was made for the MA1 well in KGD6
 - Signifies a thick hydrocarbon zone that could result in future discoveries
 - Testing done in 2 zones located 3 kms below sea level

FY09 will be a watershed year with E&P contributions to overall revenue increasing significantly

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The Way Forward – Oil and Gas



- Converting exploration investments in to production of oil and gas
- KG D6 to commence production in 2008 with peak production at 80 MMSCMD
- Fast track production of KG D6 MA oil discovery planned for 2008
- Acquired a significant knowledge base in deep-water exploration
- Rated to be amongst the lowest in exploration and finding costs
- Building a portfolio of exploration and developing properties through ongoing acquisition – India's largest private sector player
- Reliance investing US\$ 6-8 billion in exploration and development of gas/oil fields

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Refining sector : The Year Ahead

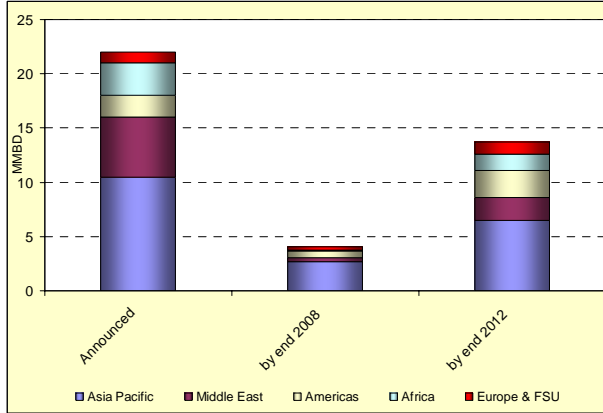


- Robust demand growth expectation of 1.4 MMBD in 2007
- Non OPEC production growth projected at 1.3 MMBD; actual may be lower
- CDU capacity additions at 1 MMBD - Lower than expected demand; supportive for margins
- Any OPEC production cut could make Light-Heavy differential narrow. Complex refiners can bridge the supply gap with cheap residual fuel oil
- Market indicators are supportive of strong complex margins:
 - Refinery capacity additions lagging demand growth
 - Tighter product specifications
 - Continued weakness in fuel oil alongwith strong gasoil margins
 - Residual fuel oil economical as supplementary feedstock

2007: Shaping up as another strong year for complex refiners

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Global Refining Capacity Shortage to Continue

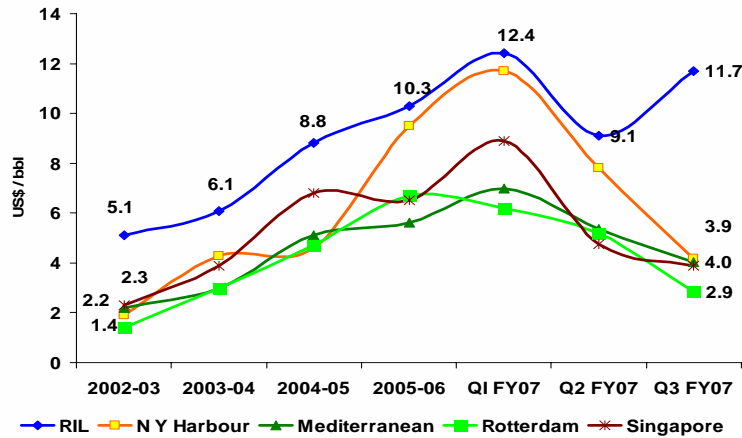


- Less than 20% of announcements so far to materialise by end 2008
- Optimistic assessment of completion by 2012 is around 60%
- Project costs and schedule concerns likely to delay completion of several projects

Source: Wood Mackenzie & Reliance analysis

Demand growth to lead capacity additions in the medium term

Margin Benchmarking



Cracking margins Source: Reuters / Company Data

Increasing out performance over the global benchmarks

RIL Jamnagar - World-Class Refinery



- World's 3rd largest refinery with capacity of 660,000 barrels per day
- Complex refinery integrated with petrochemicals, captive power & port
- Nelson Complexity Index of 11.3
- Proximity to crude supply sources and markets
- Widening out-performance compared to the benchmark Singapore Complex
- Exporting products to the most quality conscious markets such as the US, Europe and Japan – Refining contributed 73% of Total Exports in Q3 FY 07

Amongst the best refineries globally in productivity, efficiency and technical complexity

Reliance Petroleum - The Way Forward



- RPL initiative – Refinery for the world, based in India
- First mega project located in a SEZ
- India's only export-oriented refinery – capacity of 580,000 barrels per day
- 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

RPL Refinery aimed at repositioning India as a global refining hub

Reliance Petroleum - Update



- Received statutory approvals, including SEZ approvals
- Secured land required for project implementation
- Strategic partnership with Chevron concluded
- Successful completion of equity raising and ECB financing
- Rapid progress on the engineering and procurement fronts
- Effectively transitioned from engineering and procurement phases to the construction phase already
- Infrastructure readiness attained to put construction on fast track

Project overall progress impressive and on schedule



India's Leading Petrochemical Player



Diverse Product Range

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

Market Dominance

- 67% of domestic polymers market
- 56% of domestic polyester market

Unrivalled Performance

- Capacity utilisation rates 100% plus
- Record production of nearly 13.5 million tonnes in FY06
- Recently added capacity of 1.56 million tonnes

Strategic Acquisition of IPCL

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

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

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Ethylene Scenario



- Cracker Operating Rates are an indicator of Ethylene chain profitability
- C2 chain profitability increases at operating rate higher than 92%
- Compared to 2005, Asian region had higher planned outages for turnaround, preventive maintenance, planned capacity expansions
- Operating rates were approx 95% - demand growth, start-up delays and operating hiccups led to higher-than-historical operating rates
- Delayed Petrochemical initiatives in Iran and elsewhere in the ME
 - Lack of EPC resources
 - Out-of-sync readiness of Utilities, feed preparation, cracker and downstream units
 - Over burdened equipment vendors

Extended peak likely in the Petrochemical cycle

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Polyester Business Environment : Global



- Fall in crude oil prices result in lower feedstock cost and thereby, higher margins
- Fall in global cotton stock leads to higher cotton prices and reduces pressure on polyester prices
- Polyester benefits vis-à-vis cotton which has inherent disadvantages due to uncertainty in production and limited applications
- Improving operating rates - India: 85%, China: 75%, Taiwan: 65% and Korea: 70%
- Only one new polyester producer expected in China in 2007
 - No new polyester capacity envisaged in China in 2008
- Slow down in surplus polyester capacity creation over demand increase
 - In 2007, incremental demand will overshoot incremental capacity creation

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Business Environment : Global (Contd.)



Particulars	Asia			Global		
	Demand Growth	Capacity Growth	Net Incremental Demand	Demand Growth	Capacity Growth	Net Incremental Demand
	%	%	MMT	%	%	MMT
2004	12.2%	23.2%	(4.1)	9.9%	15.8%	(3.8)
2005	9.1%	10.0%	(2.1)	6.9%	7.7%	(1.4)
2006	10.0%	8.2%	(0.9)	7.7%	8.4%	(1.6)
2007	11.5%	4.2%	0.8	8.3%	4.1%	1.1
2008	12.6%	2.2%	2.4	9.0%	1.6%	3.3
CAGR 06-08	12.1%	3.2%		8.6%	2.8%	
CAGR 04-08	10.8%	6.1%		8.0%	5.4%	

Source : Analyst

- Global polyester industry is in early stage of recovery
- Key growth drivers include improving Asian demand and slowing capacity addition

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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 the Company to achieve one of the most competitive cost positions

Reliance Retail



- Fully integrated business model to add tremendous value to the Indian consumer in multiple formats on a pan-India basis
- Total 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 in the next few years
- First store launched in Hyderabad on 3rd Nov 06
- 67 stores operational in Hyderabad, Chennai, Jaipur and NCR Delhi

Farm to fork – a unique value proposition for the Indian farmer and consumer

Reliance Retail



- Successful execution of sourcing, processing and retailing of farm fresh in less than 6 months
- Tremendous response resulting in over 150,000 customers signing up for the loyalty programme
- Rapid scaling up of sourcing, logistics and locations for Reliance Fresh stores
- Senior management team in place with a total employee strength of 7500

Superior supply chain to ensure rapid scalability

Summary



- Committed to investing in each of RIL's core businesses - approx US\$ 12 - 15 billion in core businesses
- Investing in the building of a high potential, high growth retail initiative
- Committed to creating value by building world class assets
- Management team expects to create significant value on successful implementation of each of these initiatives

What is Good for India is Good for Reliance

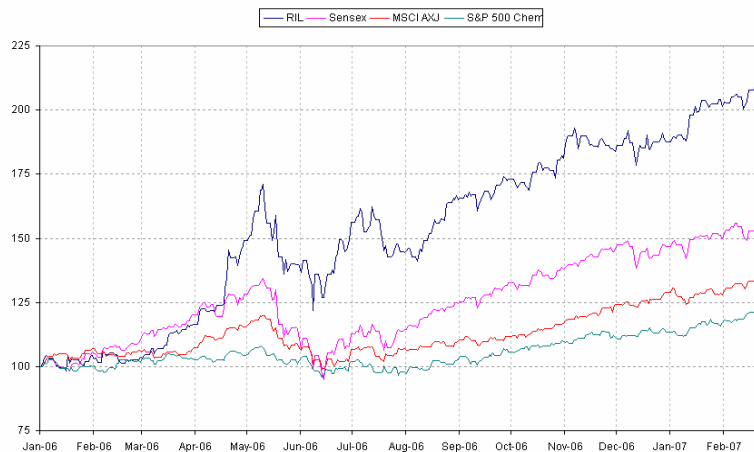
Preferential Issue of Warrants



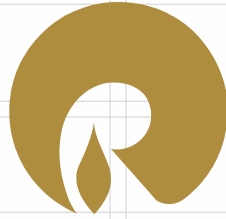
- RIL to raise equity through preferential issue of 120 million warrants to Promoters
- 120 million warrants exercisable into equal number of equity shares of Rs. 10 each within a period of 18 months
- On exercise of such rights the paid up capital of the Company will increase from Rs 13.93 Billion to Rs 15.13 Billion
- RIL Promoters to pick up stake at Rs 1402 per share
- Substantial enhancement of Shareholders' Fund – by Rs 16.8 Billion

Preferential issue of warrants to promoters demonstrates commitment to value creation at Reliance

Reliance - Stock Performance



RIL was the top contributor in the rise of Sensex in 2006



Thank You

