

Q2 FY 2007-08 Results



Reliance
Industries Limited

October 18, 2007

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.

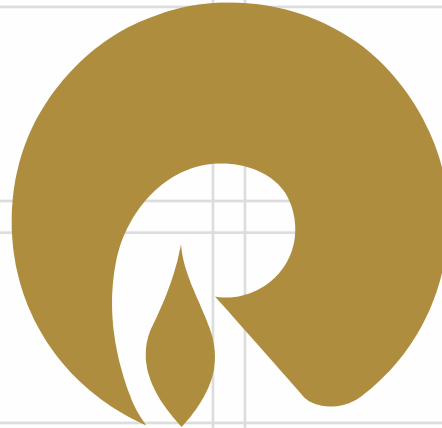
Contents



Financial Performance

Business Review

Summary



Financial Performance Q2 FY08



Performance Highlights



E&P

- 2 additional discoveries in KG D4 and Cauvery basin
- E-GOM approves gas pricing process
- KG D6 project on schedule

R&M

- Soft refining margins globally due to high crude prices and flat to low product prices
- RPL refinery project ahead of schedule
- GAPCO acquisition to expand marketing footprint

Petrochemicals

- Petrochemical margins expand – 16% growth in domestic demand
- Acquisition of Hualon assets to help consolidate global polyester position

Retail

- 329 stores operational – first Reliance Mart (hyper-market), Reliance Trends (apparels) and Reliance Digital launched; over 1.5 million loyalty customers

Financial Results – 1H FY08



(in Rs crore)	1H FY08	1H FY07	% change
Revenues	64,692	59,325	9%
Net Profit	7,467	5,706	31%
Cash Profit	10,223	8,537	20%
EPS (Rs)	51.4	39.3	

Very robust operating performance – Net profit growth of 31%

Financial Results – 2Q FY08



(in Rs crore)	2Q	1Q	2Q	% change wrt	
	FY08	FY08	FY07	1Q FY08	2Q FY07
Revenues	33,402	31,290	31,422	7%	6%
Net Profit	3,837	3,630	3,000	6%	28%
Cash Profit	5,164	5,059	4,474	2%	15%
EPS (Rs)	26.4	25.0	20.6		

Segment Results – 2Q FY08



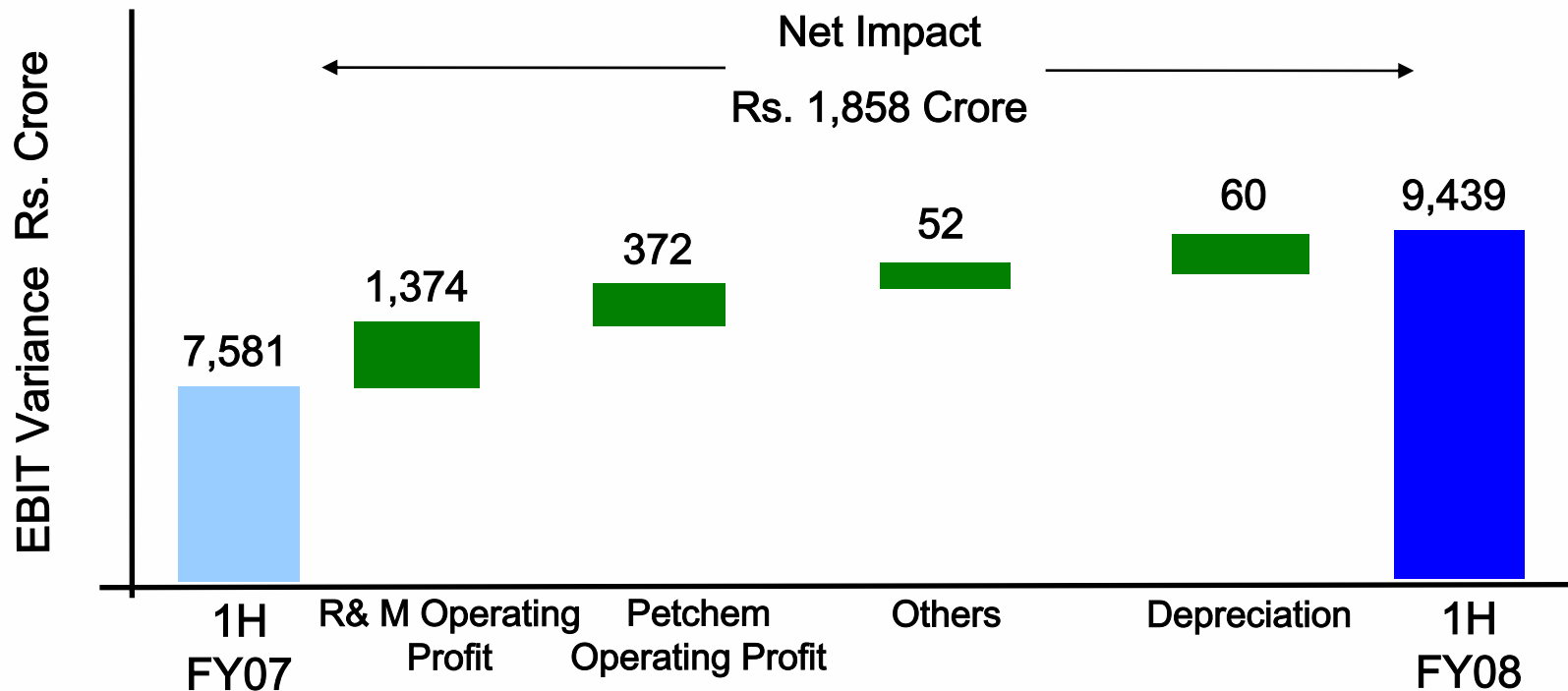
(in Rs crore)	2Q	1Q	2Q	% Change wrt	
	FY08	FY08	FY07	1Q FY08	2Q FY07
Refining					
Revenues	23,575	22,328	23,190	6%	2%
EBIT	2,321	2,558	1,489	-9%	56%
EBIT (%)	9.8%	11.5%	6.4%		
GRM (US\$ / bbl)	13.6	15.4	9.1		
Petrochemicals					
Revenues	12,961	13,213	12,888	-2%	1%
EBIT	2,025	1,845	2,102	10%	-4%
EBIT (%)	15.6%	14.0%	16.3%		

Segment Analysis



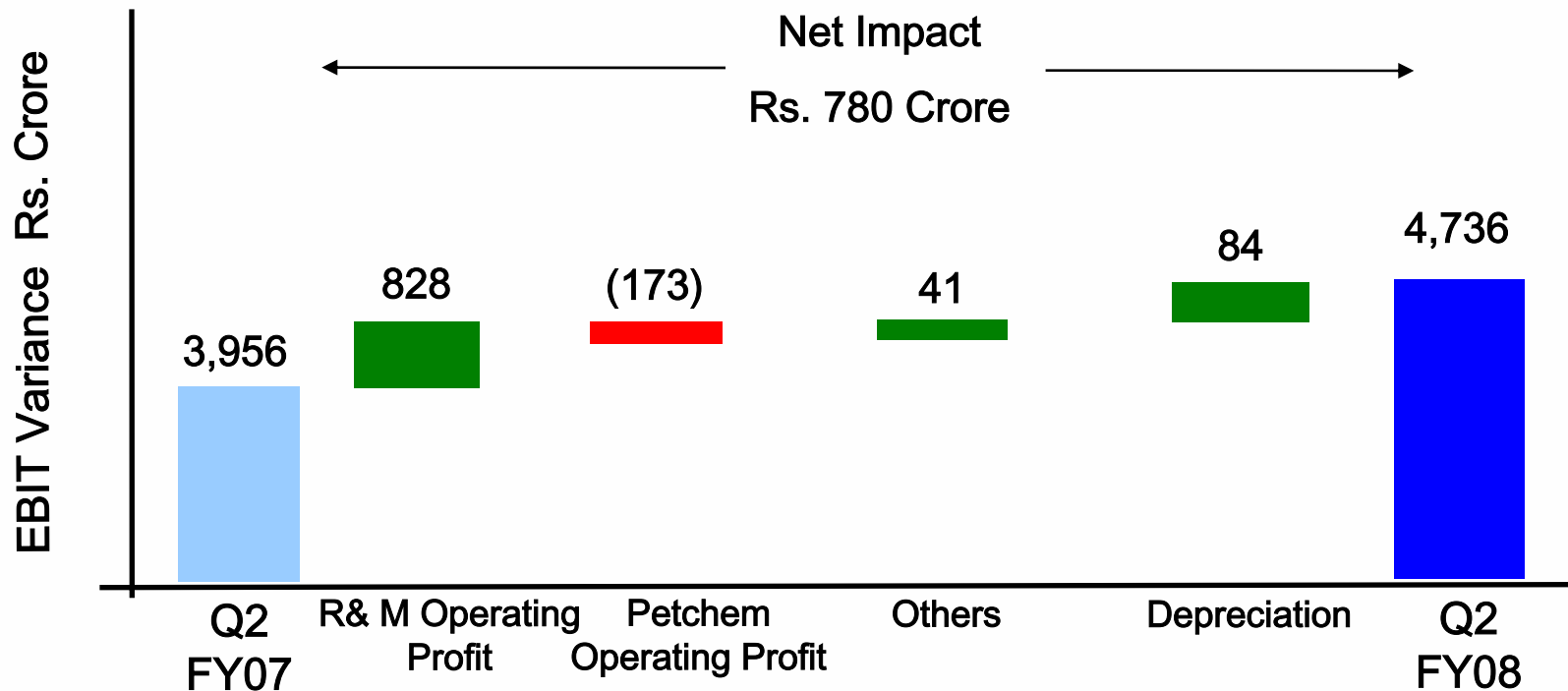
- Refining margins across all regions decline due to fall in product cracks
- RIL's GRM of US\$ 13.6 /bbl mainly due to focus on middle distillates (Gasoil and Jet Kero), where margins remained firm
- Standalone polyester margins improved substantially – however Polyester chain margin remained flat
- Higher polymer prices result in superior margins for gas based units
- Propylene to PP margins have improved substantially – integrated refinery-PP producers like RIL benefit
- Strong domestic demand both for polyester and polymers

Segment EBIT Bridge – 1H FY08 Vs 1H FY07



Higher EBIT due to higher operating profit from refining and petrochemicals

Segment EBIT Bridge – 2Q FY08 Vs 2Q FY07



Higher EBIT due to higher operating profit from refining, other segments and lower depreciation

Net Profit – 2Q FY08 Vs 2Q FY07



		(Rs crore)
Net Profit Q2 FY07		3,000
Operating Profit		717
Other Income		43
Interest		40
Depreciation		84
Tax	(47)	
Net Profit Q2 FY08		3,837

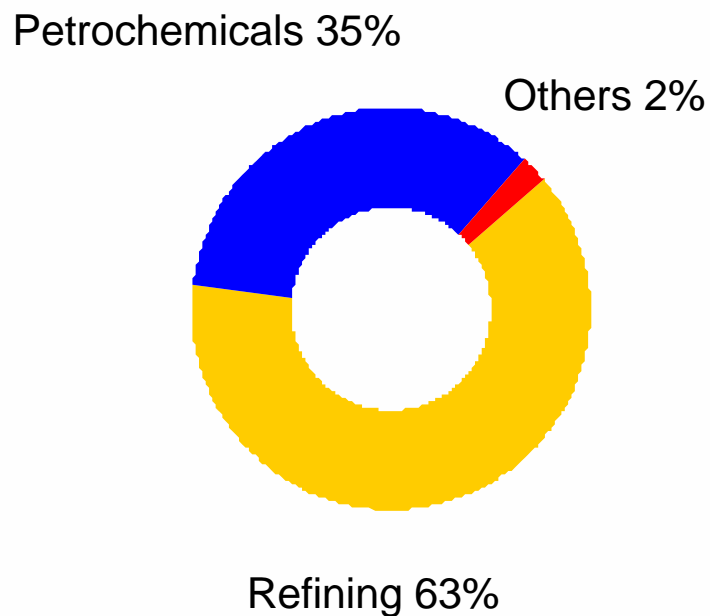
Net Profit up by Rs 837 crore compared to previous corresponding quarter

Higher operating profits – both from Refining and Petrochemicals

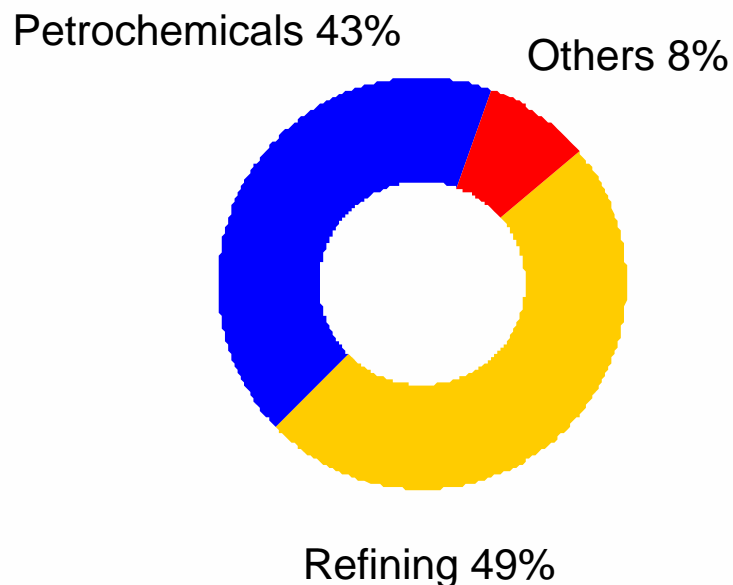
Business Mix for 2Q FY08



Revenues 2Q FY08



EBIT 2Q FY08



Refining and petrochemicals contributed 98% of revenues and 92% of EBIT

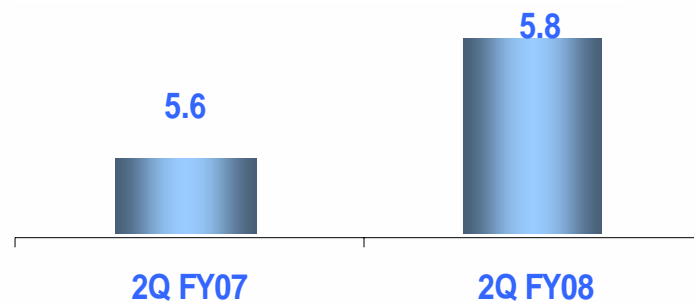
Exports – 2Q FY08



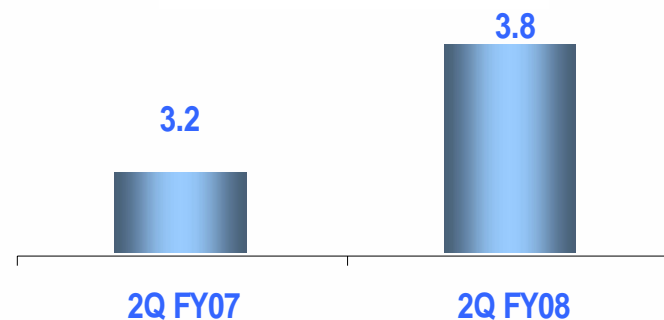
Record exports of US\$ 3.8 billion of refinery products – contributing to 75% of Total Exports in 2Q FY 08

Exports at 60% of total revenues

■ Refinery Products (MMT)



■ USD Bn



Financial Ratios – 2Q FY08



Ratios	Sep-07	Mar-07
Net Debt : Equity	0.30	0.34
Net Gearing	23%	25%
Interest Cover	13.0	11.9
Weighted Avg. Cost of Debt (%)	7.0	7.1
Avg. Maturity of Debt (years)	4.8	5.4
Forex Debt (%)	76.0	73.0
ROCE (%)	21.9	20.5
ROE (%)	24.2	21.4

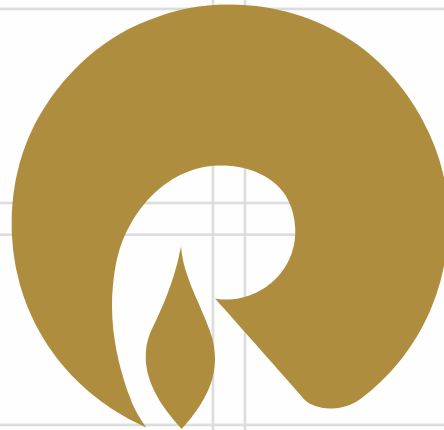
Strong balance sheet with conservative financing norms.
Significant improvement in ROCE and ROE

Capex – 2Q FY08



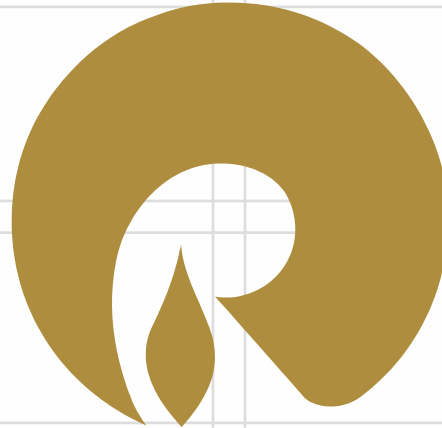
(in Rs crore)	2Q FY08	1Q FY08	2Q FY07
Oil & Gas	2,680	2,461	774
Refining & Marketing	782	413	450
Petrochemicals	94	115	112
Common	292	885	345
Total	3,848	3,874	1,681

Over 70% of cash profits re-invested in existing and emerging businesses



Business Review





Exploration & Production



E&P – Key Highlights



- High energy prices continue to drive optimistic outlook on the sector
- D6 price approval by GOI signals onset of the era of market driven pricing and aims to boost investor outlook on the sector
- Tight supply chain conditions impacting exploration campaigns globally
- Strong performance in PMT continues
- RIL's exploration efforts continue to meet significant success in frontier areas
- KG-D6 project on-track for delivery of first gas by 2H FY09 - to contribute significantly to RIL's earnings growth

RIL Concludes Gas Pricing Exercise



- PSC provides for Market Determined Prices (MDP) for natural gas
- In line with the provisions of the PSC and instant Govt policy, RIL conducted a transparent bidding process to determine market price
- Based on the price determined in the bidding process, RIL applied to the Govt. for approval of price
- Govt. referred RIL's proposal to Committee of Secretaries (CoS) and PM's Economic Advisory Council (EAC)
- Later the matter was referred to Empowered Group of Ministers (EGOM)
- After several deliberations, EGOM upheld MDP for gas and approved RIL's proposed formula with some minor modifications

Govt.'s decision to uphold MDP for gas to provide a major boost to investment climate in the Indian E&P sector

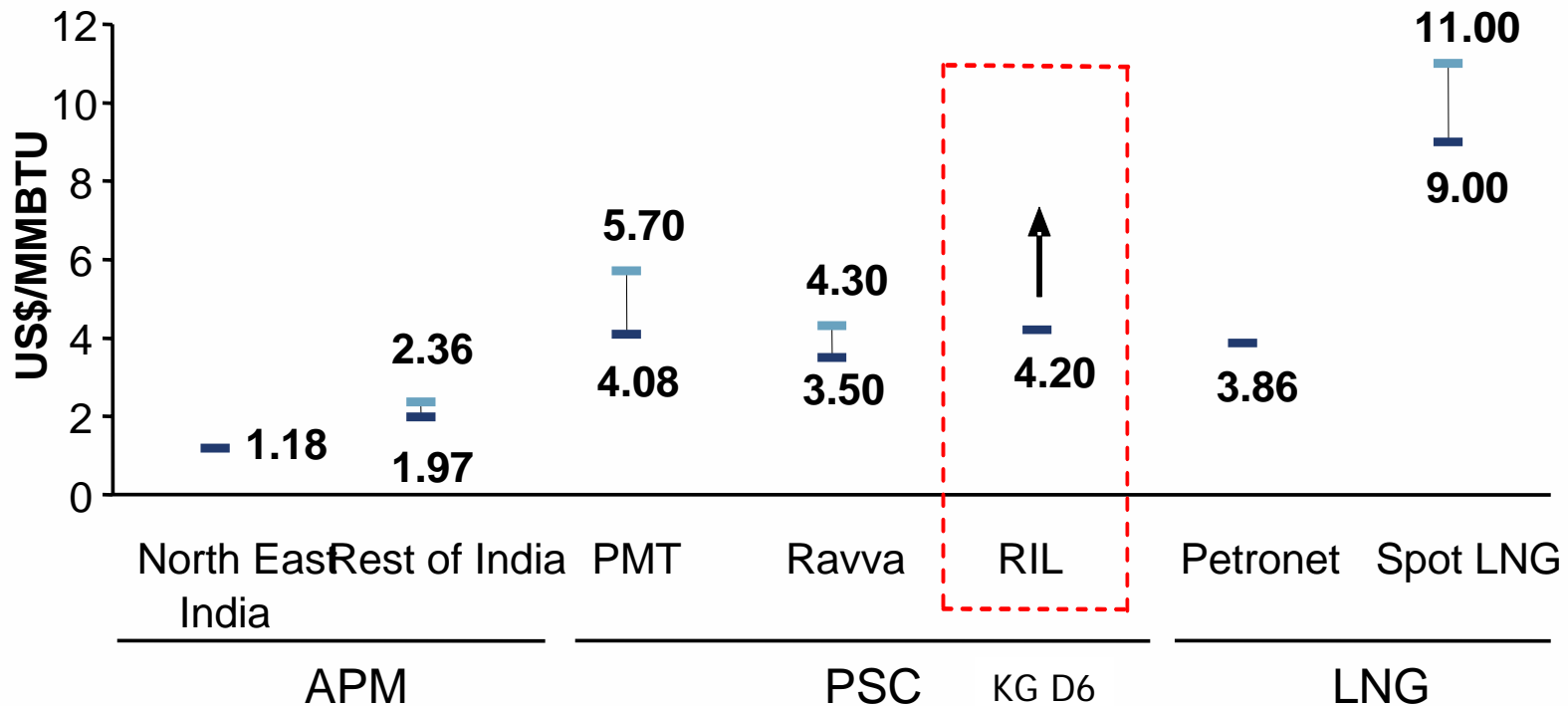
Gas Price Formula Approved by Govt.



- RIL's proposed gas price formula was : **Gas Price \$/mmbtu = 2.5 + (CP-25)^ 0.15 + C**
 - The fixed element in the above formula (US\$ 2.5 /MMBTU) was denominated in Rs/MMBTU at exchange rate of Rs 45/USD
 - CP is average crude price for the previous FY with a cap of US\$ 65/bbl and a floor of US\$ 25/bbl. This floating element was to be converted from USD to Rs at the average of previous year's exchange rate.
 - C is the premium quoted for majority of bid volumes, which was 9 cents/MMBTU (Rs 4/MMBTU)
- Govt has proposed the following changes in the gas price formula:
 - Price should be in US\$ instead of INR
 - Linkage with Crude to be capped at US\$ 60/bbl instead of US\$ 65/bbl
 - Biddable component ('C') to be zero instead of Rs 4/MMBTU
- In addition, price formula to be valid for five years and to be applicable uniformly for all sectors and tenure of gas supply to be equivalent to project life

With above modifications, gas price formula results in a gas price of \$4.20/mmbtu at land fall point (at current crude prices)

Gas Prices in India



Source: Industry Reports

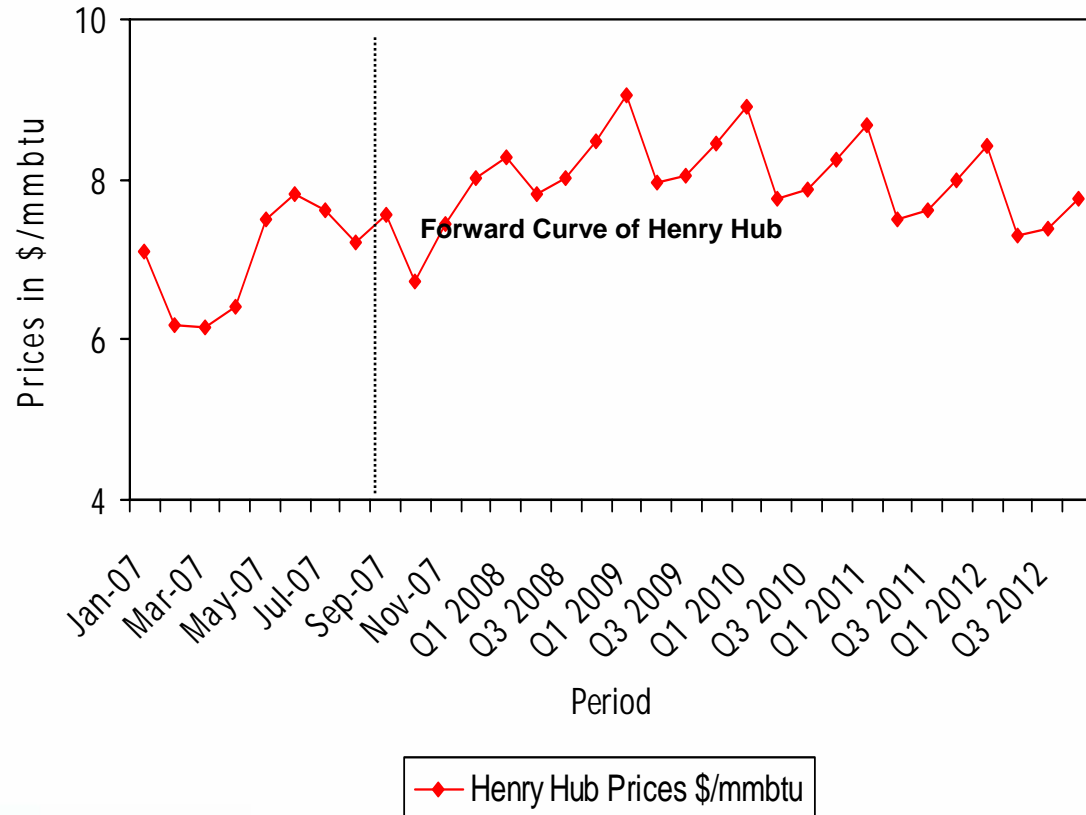
KG D6 prices are comparable with other producers in India

Key LNG Trends



- Spot LNG deal –
 - PLL deal with Qatar Gas at US\$ 7.90/MMBTU FOB
 - Japan bought cargoes from Trinidad and Egypt at US\$ 11.88 /MMBTU and US\$ 7.25/MMBTU
- Term LNG
 - Gorgon LNG to China at US\$ 10+ /MMBTU with delivery in 2011
- Atlantic Basin cargoes for winter delivery have been offered to Japan /South Korea at US\$ 12-13 /MMBTU delivered

Henry Hub Prices in \$/mm btu



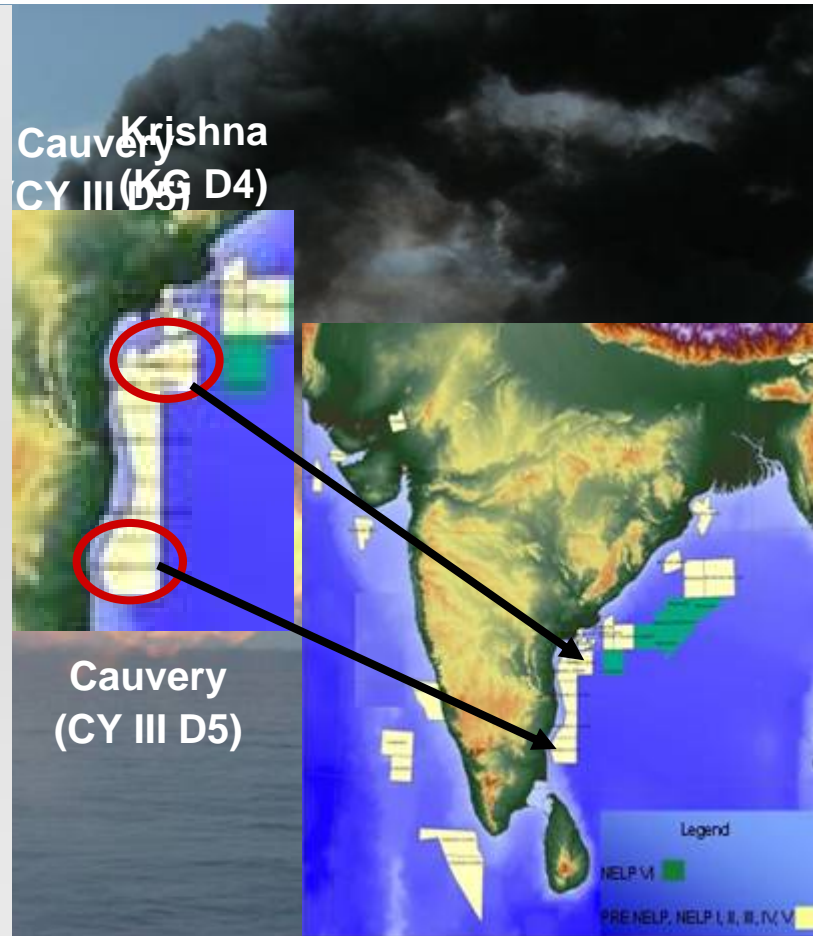
Tight markets and record prices for long-term contracts at above US\$ 10/MMBTU

Discoveries in Current Quarter – Cauvery & Krishna Basins



- **Pioneering oil discoveries in the challenging deepwater Cauvery and Krishna Basins**

- **CY III D5 – Success in the cretaceous section**
- **KG D4 – Continued success in deep Mesozoic targets**



RIL's E&P Discoveries Update



Block	No. of Discoveries
KG D6	18
NEC25	7
Yemen - Block 9	4
KG III 6	2
SR 01	1
KG III 5	1
GS 01	1
CY III D5	1
KG D4	1
Total	36

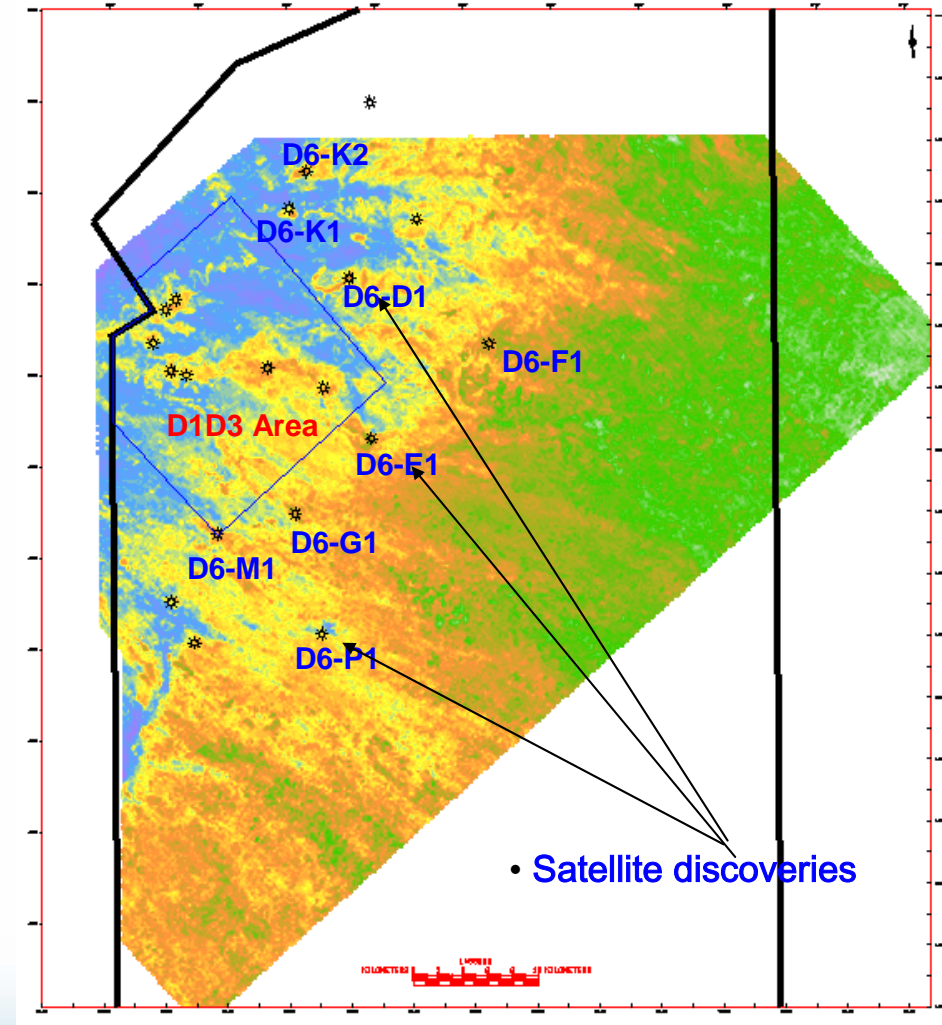
Success in CY
III D5 and KG
D4 in the
current quarter
Q2 FY08

Prolific success in deepwater resources with overall success rate of 62%

KGD6 Update - Exploration



- Commerciality submitted for satellite discoveries in the prolific KG D6 block
 - 8 satellite discoveries adjoining D1/D3 field
 - Discoveries to be tied back to KG D6 facilities
 - Conceptual studies for development underway
- 15 more prospects identified in deeper areas of the block to explore upside potential



KG-D6 Gas Project on Track



Drilling & Completions

90 % of wells drilled

- 16 wells drilled; Remaining to be completed by Nov 2007
- Well completions to commence in Nov 2007
- Shipment of well completion equipment underway
- ✓ Well completion services ordered

Offshore Facilities

50% Completed

- ✓ Line pipes & bends - Manufacturing completed & shipped
- Fabrication/testing ongoing:
 - XMT,
 - Control Systems
 - Umbilicals
 - Subsea structures
- ✓ CRP Jacket loaded out
- CRP Deck fabrication ongoing
- Offshore pipeline and installation engineering in progress; PLET fabrication commenced
- LFP to OT trenching in progress

Onshore Facilities

55% Completed

- 90% of OT 3D model completed
- Major OT Long lead equipment/ packages ordered
- ✓ Pile driving completed
- ✓ Pipe racks erection completed
 - 25% pipe grids released for piping
- Site infrastructure
 - ✓ Construction Jetty
 - 50% Haul Road completed

✓ *Activities Completed*

■ *Activities Commenced / Ongoing*

XMT and Controls



■ Unitisation of the first three 5" XMTs in progress

XMT 1 in FAT (small bore removed)



XMT 2 in assembly



XMT 3 starting unitisation



■ Controls EFAT in progress



Umbilicals and Tie-in



- Umbilicals Types 1-9 (Moss): 88Km out of 99Km spooled to reel. 18 out of 32 lengths are FAT complete.
- Umbilicals Type 0 (Tønsberg) Offshore: 52Km armoured 3rd layer 100% and 4th layer 36%. Onshore: 11Km 2nd layer closing 100% - now extruding inner sheath.
- Tie-in: 20 off 22" and 58 off 12" Clamp connectors. All 16" and 24" inboard hubs complete machined. 8 off welded, testing ongoing.



Moss – Types 2, 3 & 5



Tønsberg – Type 0



Inboard Cones



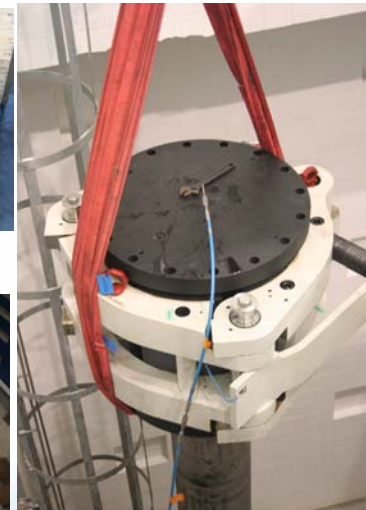
16" & 24" cladded hubs



22" Clamp Connectors



16" Temporary Cap



Pressure testing of inboard hubs

Manifolds, UDH and SDA

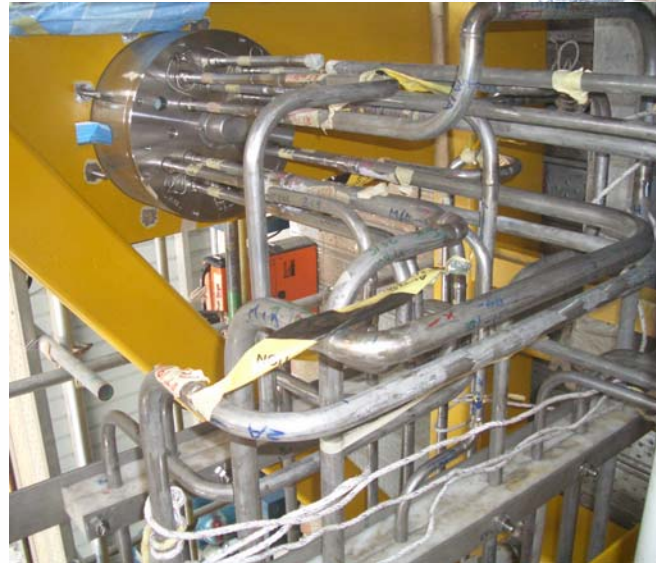


- All 11 subsea structures are structurally complete and all are painted except DWPLEM, Manifold 3 and SDA 3. Piping fit-out is in full swing.



Manifold 2 Suction Anchor

www.ril.com

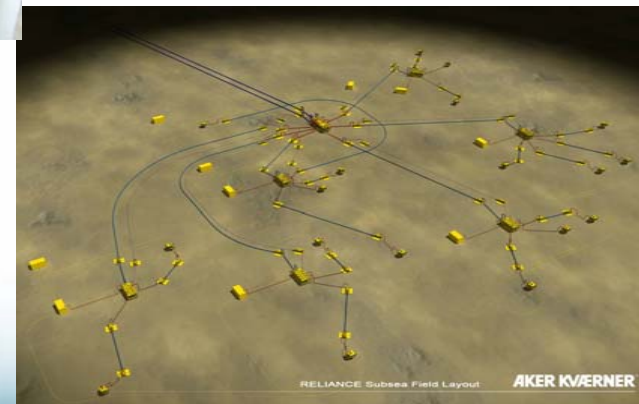


SDA Crossover Cap Small Bore Piping

- FAT, EFAT and SIT teams mobilised in Oslo, Aberdeen and Malaysia. All testing procedures now being finalised



UDH



RELIANCE Subsea Field Layout AKER KVERNER

CRP - Load-out at Morgan City



CRP - Jacket / I-600 on FTV



CRP - North Cellar Deck Stacking



Pipe Rack -02



Other Development Projects



- MA development plan submitted for approval
 - First oil targeted for mid 2008; Peak production of 40,000 BOPD envisaged
 - Contracting synergies with D1 & D3 development project to be leveraged
- NEC-25 development plan
 - Geotechnical and geophysical studies completed
 - Environmental study for offshore completed; Studies for onshore in progress
- CBM development plan
 - Reserves certification currently underway; expected by 3Q FY08
 - Environmental studies in progress for MoEF clearance

Additional developments to increase production and earnings

Managing the Supply Chain



Name	Supplier	Expected Arrival
Frontier	Transocean	Currently with RIL
Actinia	Transocean	Currently with RIL
C Kirk Rhein	Transocean	Currently with RIL
D534	Transocean	3Q FY08
DD4	Premium Drilling	3Q FY08
Neptune	Neptune Marine Driling	4Q FY08
Blackford Dolphin	Dolphin Drilling	1Q FY09
Expedition	Transocean	3Q FY09
Deep Pacific 1	Transocean	2Q FY10

- Contracting rigs to execute exploration campaigns
 - Contracted 7 rigs (6 Deepwater + 1 Shallow water)
 - Currently 3 rigs (2 deepwater & 1 mid-water) in operation
- 12 Supply vessels contracted for supporting drilling operations

Proactively managing the supply chain to support exploration operations

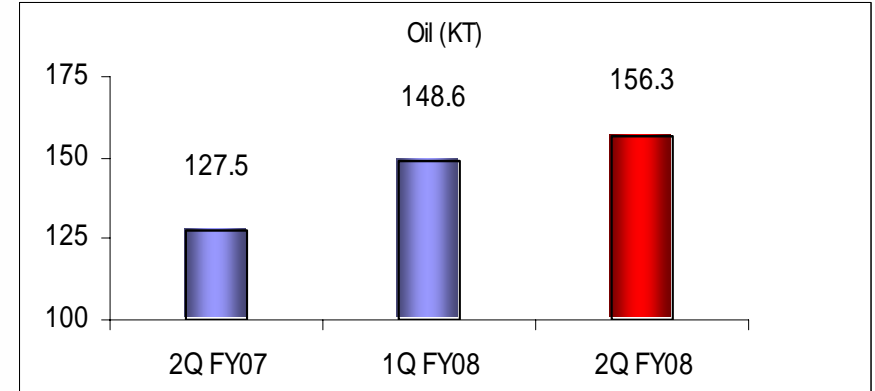
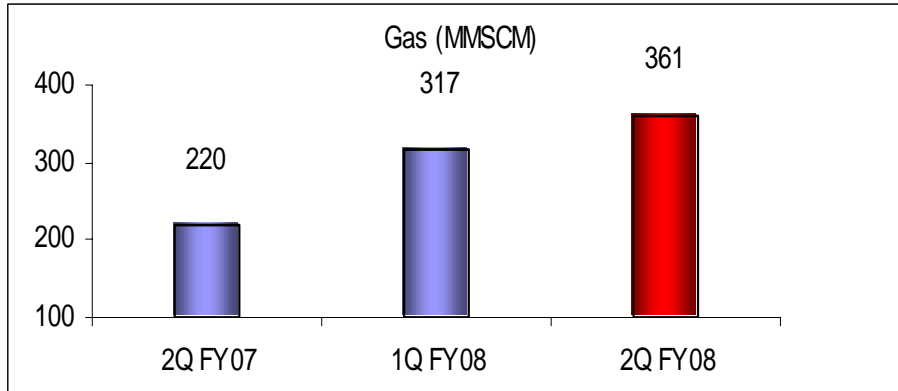
Acreage Management



- Seismic acquired in excess of Committed Work Programmes
- Healthy prospect inventory
- Tight rig conditions impacting drilling campaigns
- Regulatory regime sensitive to rig market conditions
- Association of Oil and Gas Organisations has appealed for moratorium for deepwater blocks

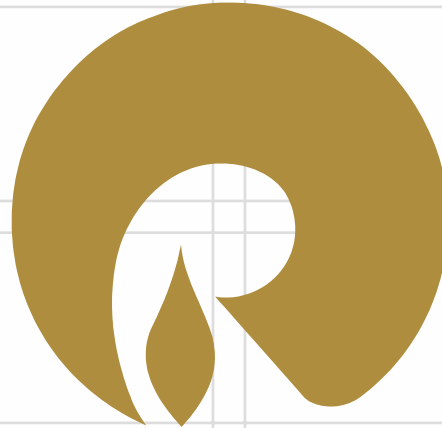
Continuous efforts are on for contracting deepwater rigs

Panna-Mukta and Tapti Update



- Panna-Mukta expansion (EPOD) completed successfully
 - Additional production at ~ 8000 BOPD currently
- NRPOD (Tapti block) completed successfully; Production under stabilization
 - Current production at 140 MMSCFD and Condensate production at 3000 BOPD
- Declaration of commerciality of South West Panna discovery submitted to DGH

Strong performance on account of increased production and higher gas prices



Refining & Marketing (R&M)



Refining Business Highlights



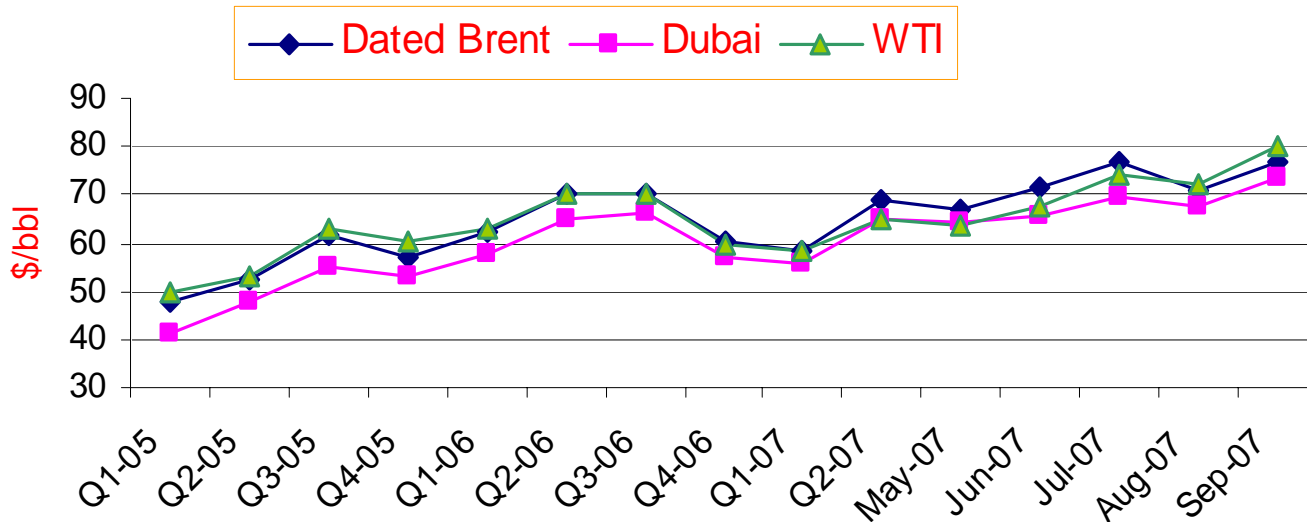
- High crude price (WTI up 16% on a Q-o-Q basis) - global refining margins impacted
- Benchmark margins impacted by 50% reduction – USGC declined from US\$ 18.8 to US\$ 8.6 on a Q-on-Q basis – gasoline / naphtha cracks decline sharply
- RIL's GRM less affected and was at US\$ 13.6 /bbl as compared to US\$ 15.4 /bbl in the previous quarter
- Light-heavy differential remains strong – positive impact for complex refiners like RIL
- Project delays continue globally – RPL ahead of schedule with over 70% of project completed

Performance superior to all global benchmarks

Crude Prices Scenario



\$/bbl	1999-2004	2005	2006	1Q-2007	2Q-2007	3Q-2007
WTI	29.06	56.59	66.02	57.98	64.89	75.48
Dtd Brent	27.35	54.52	65.14	58.21	68.68	74.87
Dubai	25.1	49.54	61.52	55.41	64.79	70.08



- Last quarter witnessed crude price volatility
- Benchmark crudes moved to record highs in Sep: Nymex all time high of US\$ 83.90/bbl
- US\$ 10 /bbl surge in last three months

WTI re-emerges as the locomotive of the bull market

Factors Effecting Crude Price Environment



■ Supply Concerns

- OPEC resorting to slower production increases
- Geopolitical issues in Nigeria, Iraq & Iran
- Extensive maintenance and field shutdowns in North Sea
- Hurricane outages in Mexico

■ Other Factors

- Weakening US dollar
- Huge gasoline stock draws
- High degree of speculative activity: 50% increase in net length in September over August – increased liquidity in oil trades

Product Price Scenario



US			Singapore		
\$/bbl	2Q 2007	3Q 2007	\$/bbl	2Q 2007	3Q 2007
WTI	64.89	75.48	Dubai	64.8	69.97
RBOB	93.79	87.02	Gasoline	85.71	81.64
HO	80.25	87.5	Gas Oil	81.27	86.35

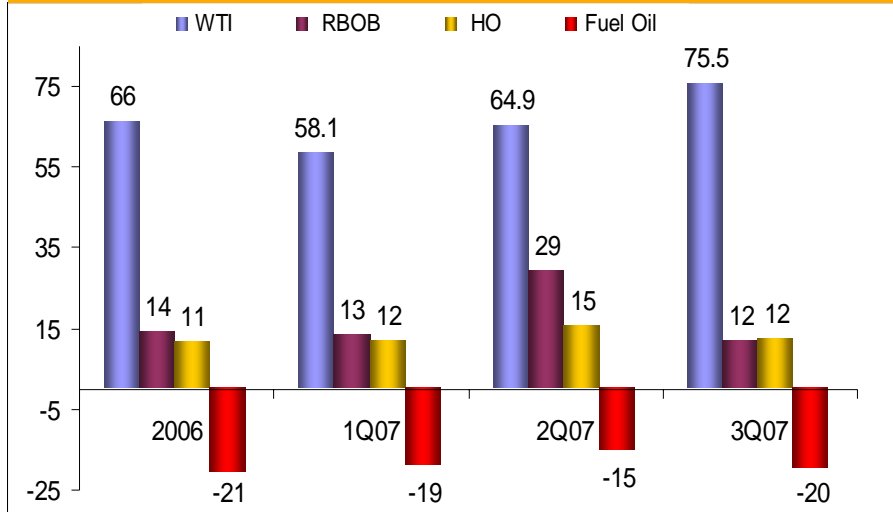
- Product prices (mainly Gasoline) not able to match the run up in crude price
 - Gasoline cracks have been falling since CY 2Q
- Middle Distillates seen taking the lead in product markets
- UK is moving to ULSD later this year - changing specifications created imbalances and drove prices higher
- Europe is also moving to 0.1% Sulfur specs on Heating Oil

Compression in Gasoline margins

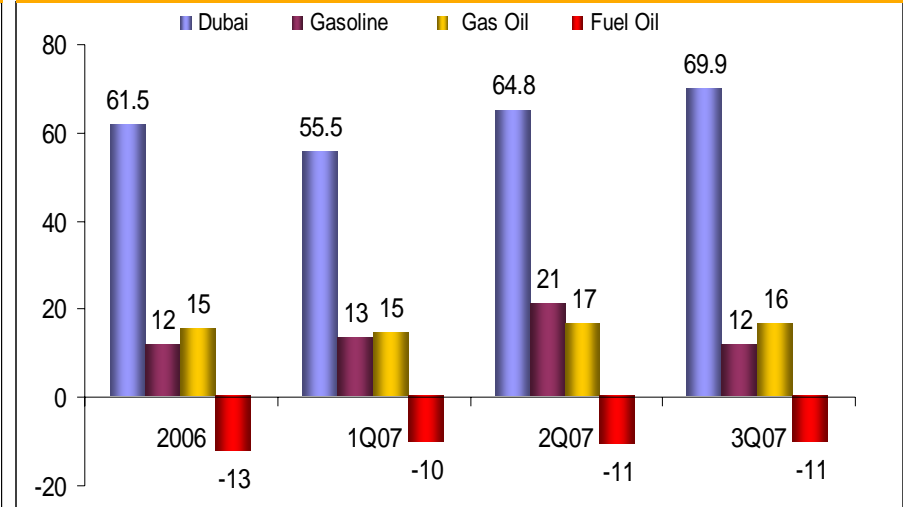
Product Cracks – Benchmark Regions



US Gulf Coast



Singapore Complex



■ USGC margins dropped from US\$ 18.8 /bbl in 2Q07 to US\$ 8.6 /bbl in 3Q07

■ Impact of Product Cracks (in US\$/bbl)

Gasoline (RBOB)	(8.1)
Jet Kero	0.3
HO	(0.3)
FO	(0.6)

■ Singapore margins dropped from US\$ 9.5/bbl in 2Q07 to US\$ 6.4 /bbl in 3Q07

■ Impact of Product Cracks (in US\$/bbl)

Gasoline	(3.0)
Jet Kero	(0.1)
Gasoil	-
FO	0.1

Margin Scenario – Historic and Current



US\$/ bbl	1999-2004	2005	2006	1Q 2007	2Q 2007	3Q 2007
Singapore	4.4	6.8	5.8	6.8	9.5	6.4
Europe	3.2	6.4	5.1	4.1	6.6	3.3
USGC	2.4	8.0	8.4	8.4	18.8	8.6

Source: Reuters

Cracking margins declined from exceptionally high levels in CY 2Q

RIL - Refinery Operating Highlights



- GRM for the quarter at US\$ 13.6 /bbl – strong out performance viz. global benchmarks
- Capacity utilization at 98% with 16.1 Million Tonnes of crude processed in 1H FY08
- Exports continue to grow – 10.8 Million Tonnes in 1H FY08 compared to 8.8 Million Tonnes in 1H FY07
- In the high growth aviation sector, RIL has now presence at 11 airports
- Acquired majority stake and management control of GAPCO

Superior operating performance despite softening of refining margins globally

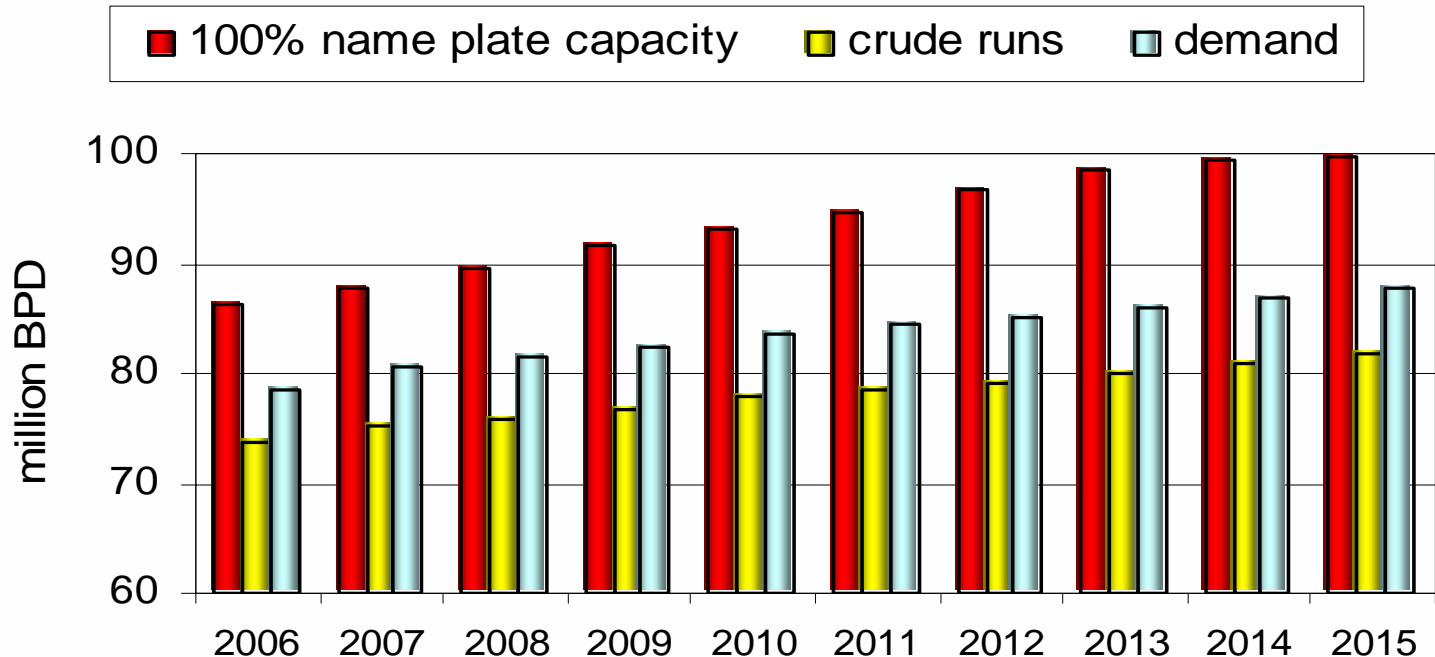
Refinery Product Sales



(in KT)	2Q	1Q	2Q	% Change wrt	
	FY08	FY08	FY07	1Q FY08	2QFY07
PSU	646	680	687	-5%	-6%
Captive	1,361	1,620	1,661	-16%	-18%
Retail	268	683	157	-61%	71%
Others	908	924	991	-2%	-8%
Exports	5,807	5,006	5,216	16%	11%
Total	8,990	8,913	8,712	1%	3%

Exports now account for 76% of all non-captive product sales

Demand v/s Refining Capacity



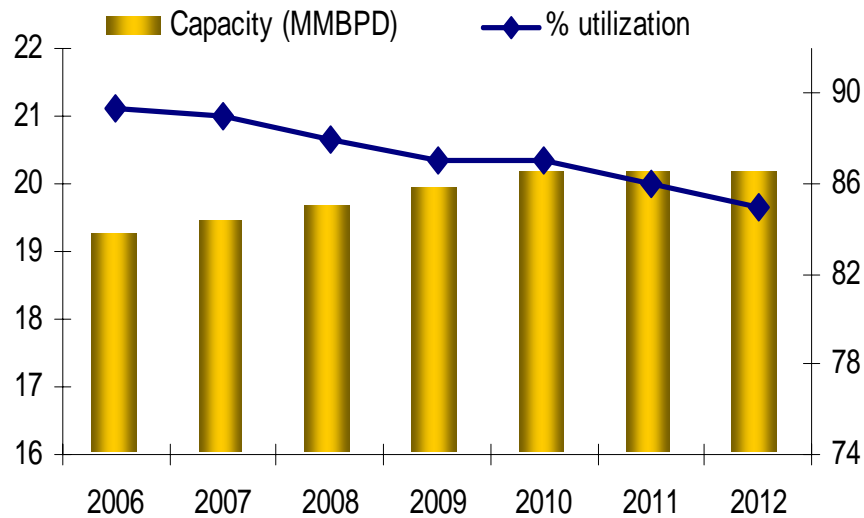
Source:EMC

Global oil product markets likely to remain tight mainly on account of disciplined run rates : supportive of margins

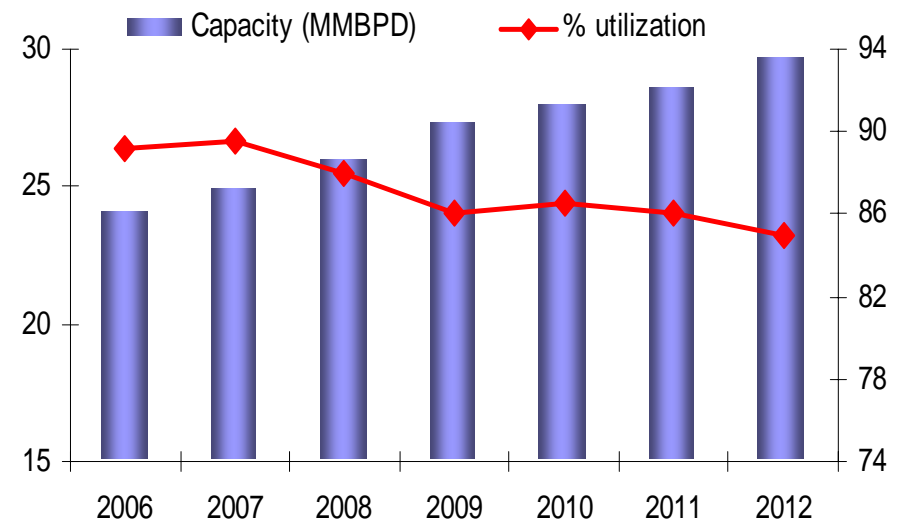
Refining Capacity v/s Operating Rates



USA



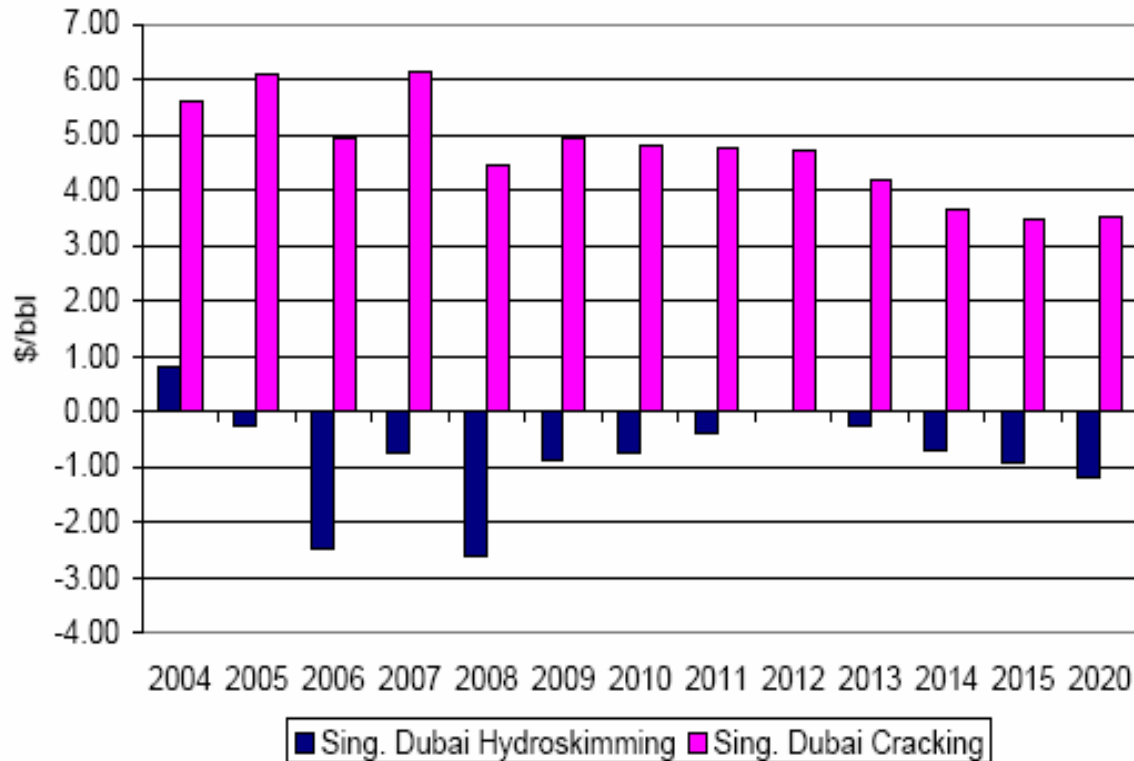
Asia



Operating rates expected to remain high till 2011-12 due to delayed addition in capacity

Source : EMC

Refining Margin Outlook



Source : EMC

- Medium-term margins supported by healthy demand growth and slowing capacity additions
- Timely start up of new projects may impact margins after 2012

Refining margin outlook remains strong till 2012

Refinery Projects Update



- Refinery projects in Indonesia with capacity of 650,000 BPD shelved
- Greenfield project of 500,000 BPD at Fujairah (UAE) shelved due to costs
- Two new refineries in Turkey with a capacity of 400,000 BPD cancelled for being uneconomic in current environment
- S Oil in Korea announced canceling their refinery project (480 KBPD) due to soaring construction costs
- Expected projects in Angola and Egypt also seem doubtful

Rising cost, project economics, funding constraints & dearth of skilled labour leading to delay/cancellation of projects globally

RPL Project Progress



- Cumulative project progress of over 70% to date
- Engineering efforts mostly complete and in close-out mode for most units
- Overall procurement progress exceeds 92%; Aggressive deliveries of both tagged / bulk items maintained despite tight market scenario globally
- Over 2500 equipments and over 95% of projects bulks delivered
- Dramatic change in project skylines with over 1200 equipments installed
- Civil works mostly completed
- Sufficient site infrastructure mobilised to sustain equipment installation and pipe fabrication works on fast track

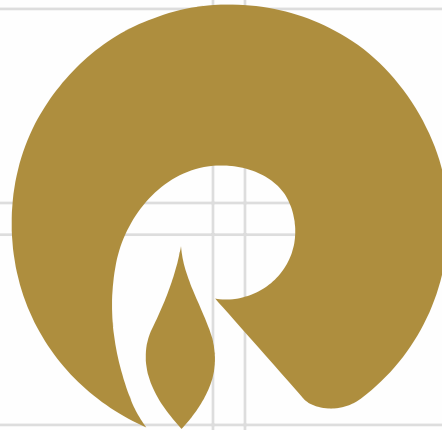
Rapid progress on project implementation : project ahead of schedule

Summary – Refining



- Strong global economic growth supports growth in demand for petroleum products
- Product demand and capacity constraints support margins
- Supplies tightness to continue despite increased OPEC output
- Continuing delays and cancellation of new projects supportive of margins
till 2012 - incremental conversion capacity could impact margins thereafter

Exciting value creation opportunity for complex refiners, like RIL and RPL



Petrochemicals

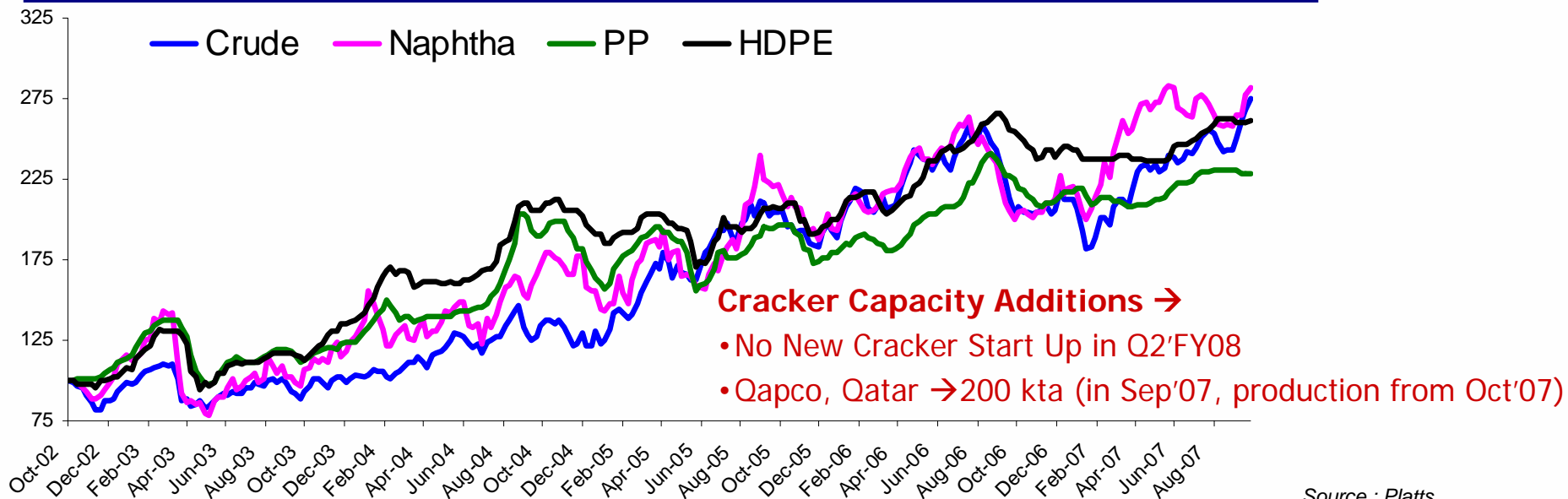


Polymers Business Highlights



- Volatile but bullish crude price run continues
- No new cracker capacity on stream – incremental capacity coming online in 2008-09
- Improved cracker operating rates in 2Q FY08 backed by planned / unplanned outages
- Propane cracking economically superior to Naphtha cracking due to price differential
- Stable to firm Polymer prices during 2Q FY08
- Strong domestic demand growth – up 16% on Y-o-Y basis
- RIL plants operating at full capacities – 2Q FY08 production of 829 KT

Operating Environment : 1H FY08



Source : Platts

Olefins

- Strong market in 1st half of 2Q FY08 (strong derivative demand → limited availability)
- Soft in 2nd half of 2Q FY08 → additional supply from Saudi / uncertain derivative price trends in coming months

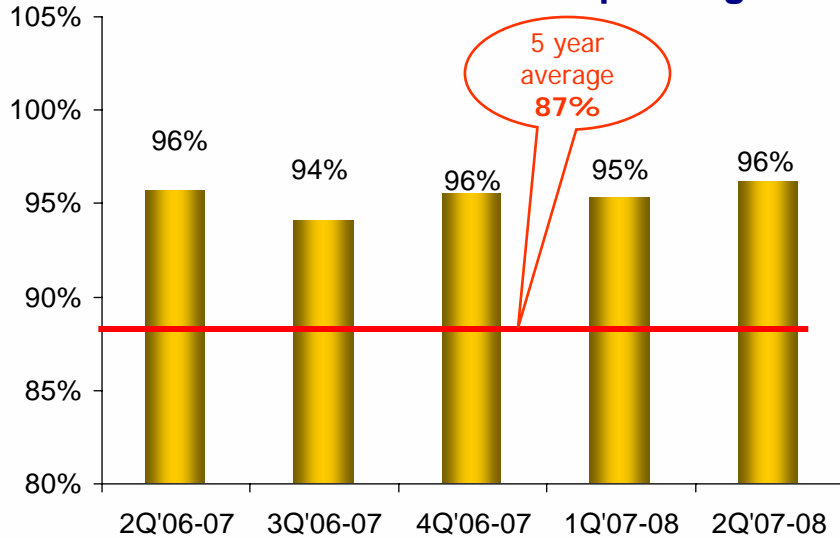
Polymers

- Stable to firm → low buyer inventories, firm crude / naphtha prices
- Overall strong demand / supply tightness across regions

Ethylene Operating Rates

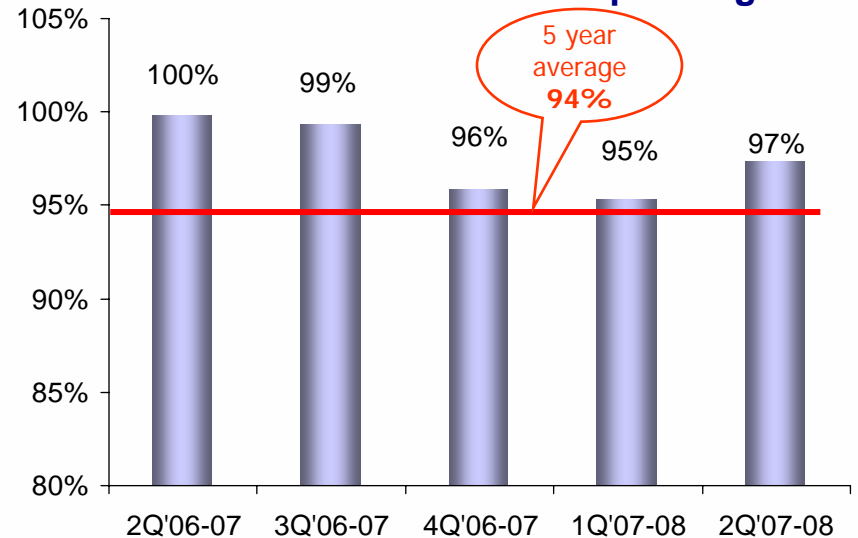


North America Effective Operating Rates



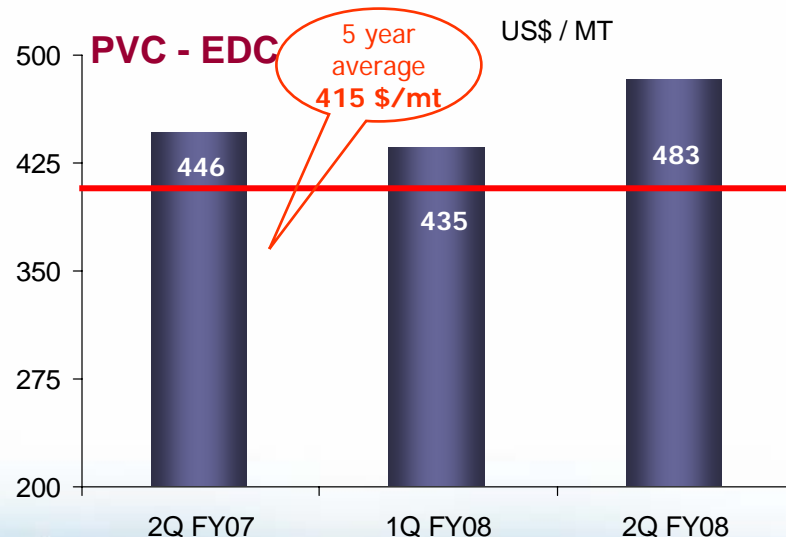
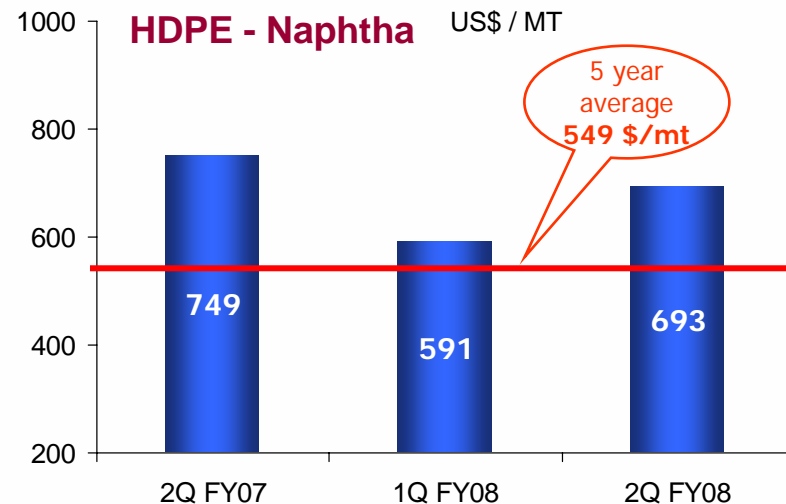
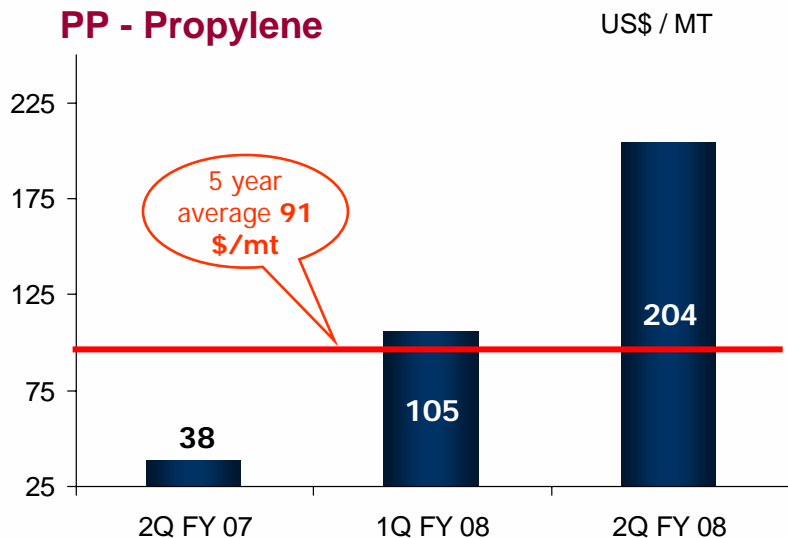
Source : CMAI updttd. Oct 4, 2007

South East Asia Effective Operating Rates



- Operating Rate in excess of 92% - highly profitable Business environment for the Polymer industry.
- Improved operating rates in 2Q FY08 → 6% of global capacity off-line

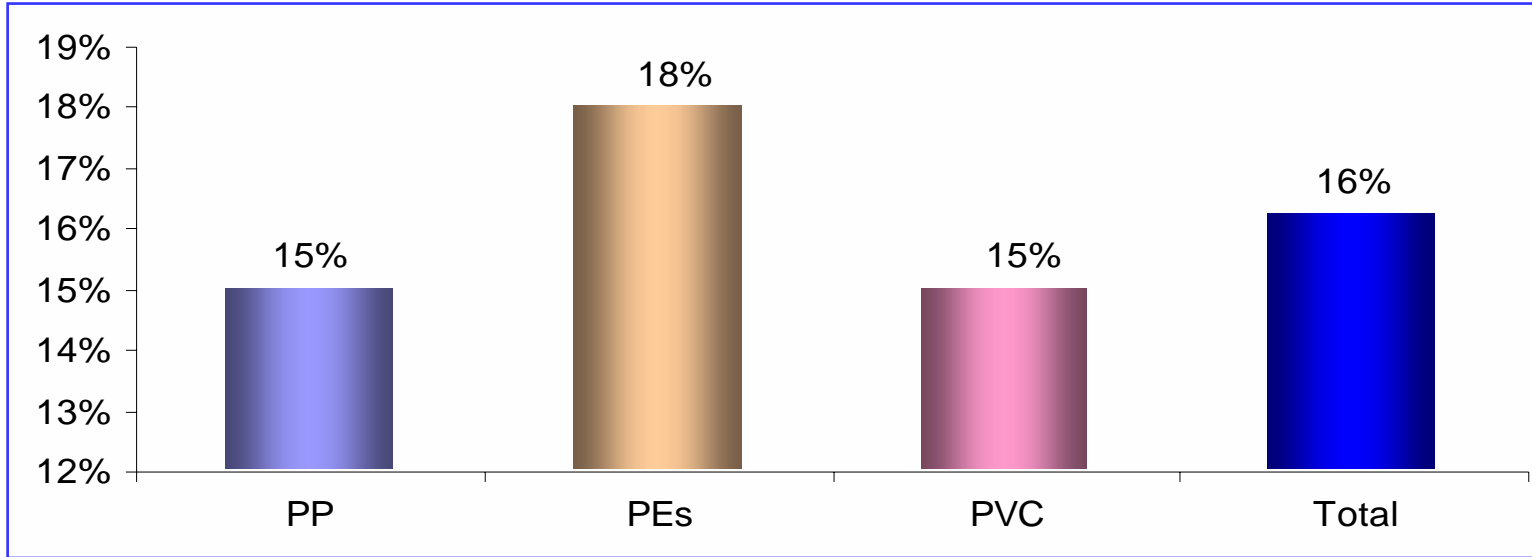
Price Spread 2Q FY08



- Margins remain robust in 2Q FY08
- Absolute prices were higher in 2Q FY08 adding to the profitability of RIL's gas based ethylene downstream units
- PP- Propylene delta benefited RIL which has about 70% non-Naphtha based propylene

Source : Platts

Domestic PO + PVC Industry : 1H FY08



PP

- Growth limited due to domestic availability (JG EOU and HPL shutdown)
- Raffia sector (Cement / FIBC), automotive and appliances driving growth

PVC

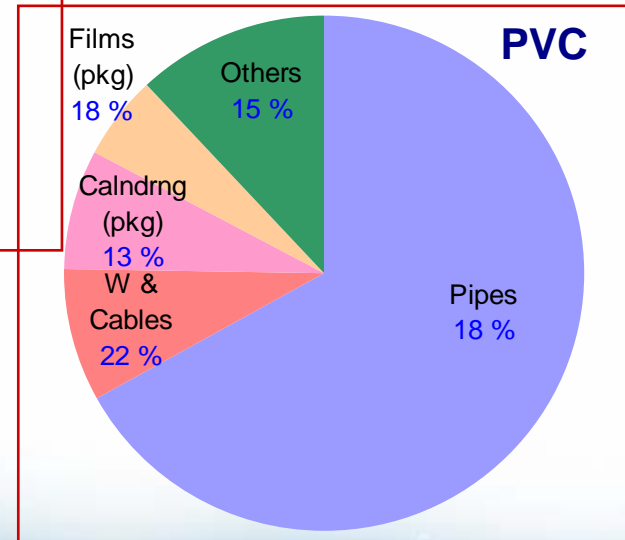
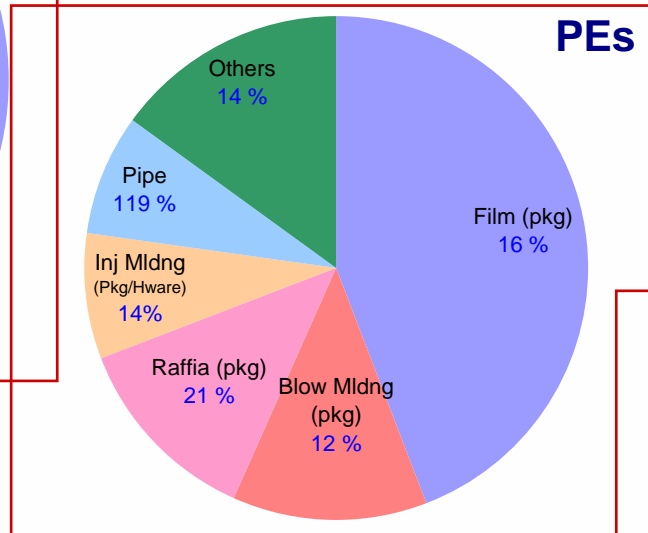
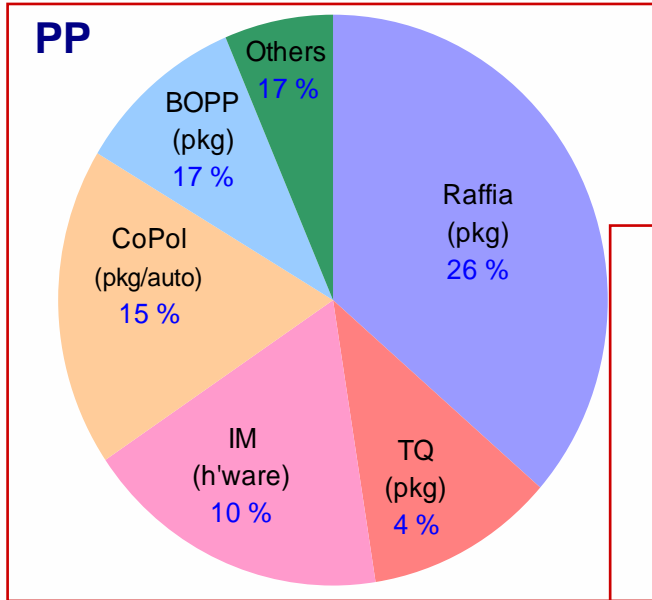
- Good infrastructural growth (pipes and profiles).
- Marginal inventory buildup due to firm price trend

PE

- Growth led by LLDPE (22%)
- Fledging organized retail → Growth in Flexible & Bulk packaging
- LDPE growth restricted to price delta with LLDPE

Growth driven by imports → firm price trend and appreciating rupee

Sector-wise Demand Growth



% indicates y-o-y growth

Robust growth across sectors

Polymer Growth Drivers



- Robust Economic growth
- Infrastructure development & Mandations
 - Building & construction, Highways, Power & Cables,
 - Pipes, Geo-textiles, Door/ Window Profiles, Furniture
- Adoption of advanced technology in agriculture / horticultural products & post harvest management
 - Micro-irrigation, Green house / Mulch films
 - Foodgrain / horticulture / fertilizer Packaging,
- Growing disposable income & consumerism
 - Automobiles / Consumer durables / Unit Packaging

Conservation
of energy &
natural
resources

Major Ethylene Capacity Additions



Q4' 07
1280 kta

H1' 08
2920 kta

H2' 08
3400 kta

H1' 09
6650 kta

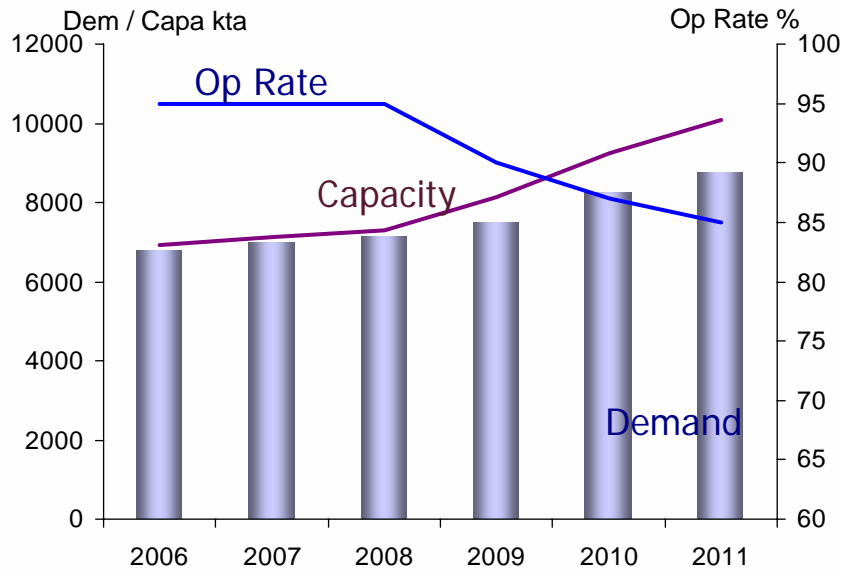
<ul style="list-style-type: none"> ▪ BASF, Antwerp* → 280 kta ▪ Arya Sasol, Iran → 1000 kta 	
<ul style="list-style-type: none"> ▪ Jam PC, Iran → 1320 kta ▪ Jubail ChevPhill, Saudia → 300 kta ▪ Yansab, Saudi → 1300 kta 	
<ul style="list-style-type: none"> ▪ TKOC, Kuwait → 850 kta ▪ SEPC ,Saudi → 1000 kta ▪ SHARQ, Saudi → 1200 kta ▪ Lotte Daesan PC*, Korea → 350 kta 	
<ul style="list-style-type: none"> ▪ Petro-Rabig, Saudi → 1300 kta ▪ Ras Lafan, Qatar → 1300 kta ▪ Shell Chemical, S'Pore → 800 kta 	<ul style="list-style-type: none"> ▪ Panjin Ethylene, China → 450 kta ▪ Tianjin PC, China → 1000 kta ▪ Dushanzi PC, China → 1000 kta ▪ Fujian, China → 800 kta

Source : CMAI update dated 12th Oct'2007 / Industry
* → Expansion

Impact on Operating Rates and Margins

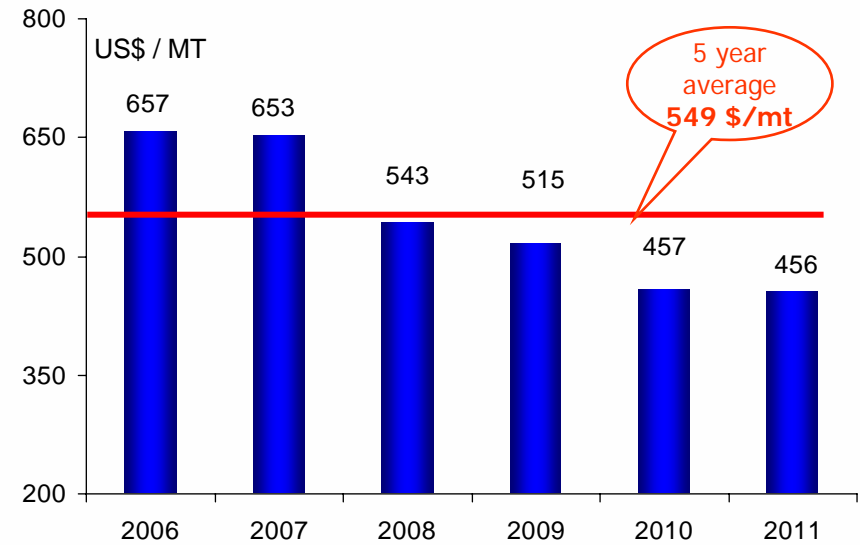


South East Asia Operating Rates



Source : CMAI dated 15th Oct 07

HDPE – Naphtha Delta



Operating rate / margins under pressure post new capacity built up in ME / Asia



Polyester

Polyester Business Highlights

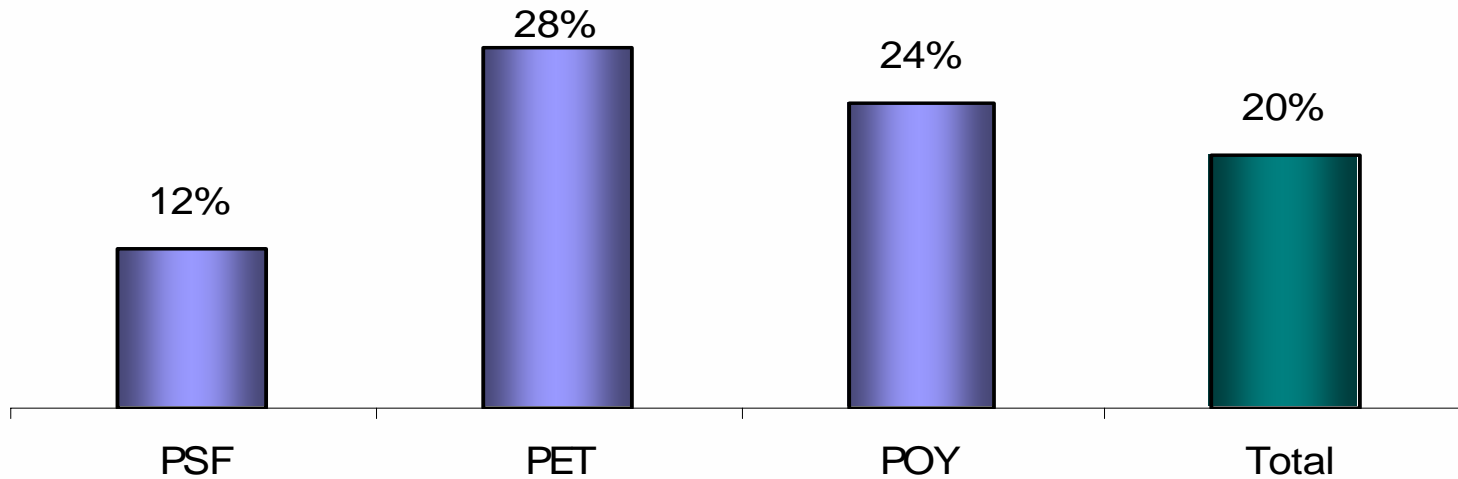


- International cotton price at US\$ 1520/ MT - up by US\$ 220/ MT Y-o-Y
 - Avg cotton price (2007/08) estimate - US\$ 1565/MT (up 20% Y-o-Y)
- Operating rates restrained due to high MEG cost
- Margin improved due to higher prices and strong demand (up 20%)
- Acquired Hualon's Malaysian assets – enhancement of capacity (up 25%)
- MEG supply tightness due to technical issues at some Middle East plants
 - Current world MEG running capacity @ 89%
 - Asian MEG prices breaks 11 year-record; breaches US\$ 1470/ MT level - supply is not expected to normalize before early-2008

Domestic Business Environment

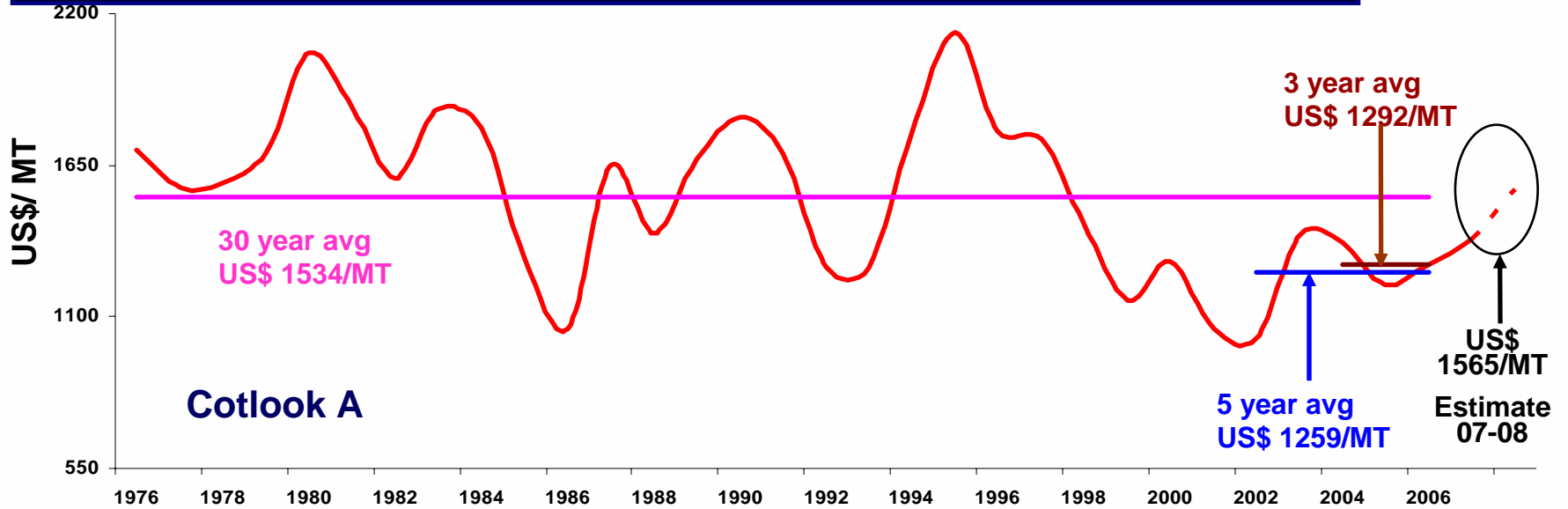


Demand Growth in 1H FY08



- PET resin continues to be one of the fastest growing polymer
- Increased expectations from revised TUFs; inclusion of technical textiles & textile machinery

Cotton: Global Scenario



Cotton prices expected to breach 30 year average

Mn MT	2005-06	2006-07	2007-08 (E)
Production	25.0	26.0	25.5
<i>% change</i>		4%	-2%
Consumption	24.9	26.3	27.2
<i>% change</i>		6%	3%
Ending Stocks	12.8	12.5	10.8
<i>% change</i>		-2%	-14%
Stock-to-use ratio	51%	48%	40%
Cotlook A Index (\$/MT)	1238	1304	1565

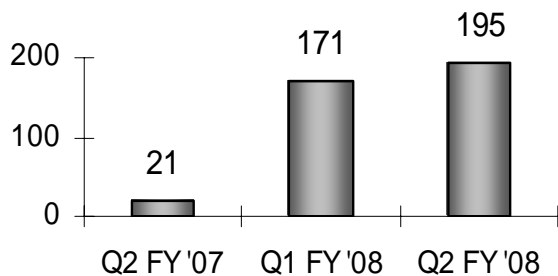
Source: ICAC

Margin Environment

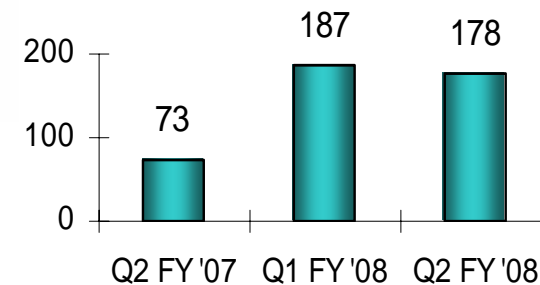


US\$/MT

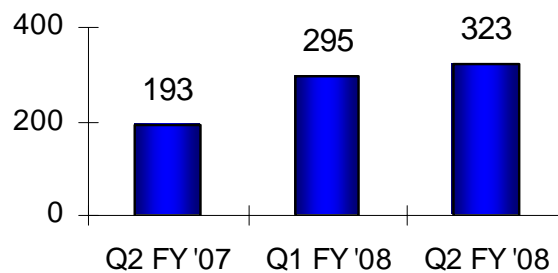
PSF - PTA - MEG



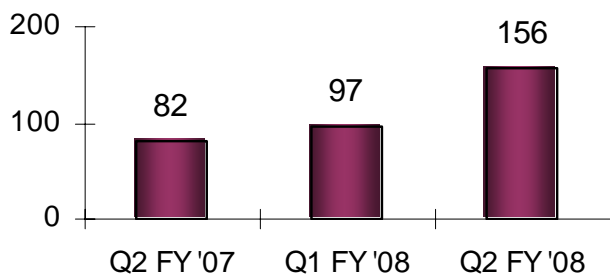
PET - PTA - MEG



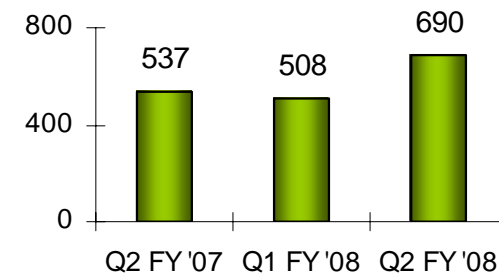
POY - PTA - MEG



PTA -PX



MEG - Naptha



Improvement in Polyester margins

Acquisition of Hualon Assets



Location: Nilai & Melacca, Malaysia

Assets

Polyester : 550 KTA (POY, FDY, PSF, PET)

Texturising : 200 Murata machines

Spun Yarn : 2.5 lacs spindles (India's largest synthetic spinner, 2.6 lacs)

Weaving : 5758 water jet looms 500 mn yards (Larger than any Indian company)

Finishing : 80 mn yards

Nylon : 36 KTA (New product for RIL)



Operations likely to be taken over from 1st November 2007

Largest textile exporter in Malaysia

Hualon: Synergy with Reliance

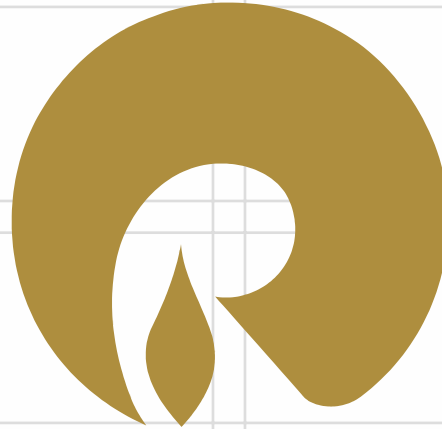


- Enhances RIL's dominant position in Asia
 - Current global polyester fibre market share will improve to > 7%
 - PET World ranking improves to 12th from 18th
 - Serve RIL's strategic export base after meeting rising internal domestic demand
 - Market access to Europe (PET) and Turkey (PSF)
- Downstream Capability
 - Provides strong presence in downstream operations till fabric processing
 - Hualon expertise to complement in extracting maximum value out of our products
 - Tie up with retail majors and global brands

Polyester: Outlook



- Strong demand growth expected to continue in India
- Margin outlook favourable supported by upward trend in cotton prices
- Slow down in capacity addition to support high operating rates and margins
- Reliance's polyester business moving towards non-apparel applications
- RIL benefits from scale and low cost acquisition



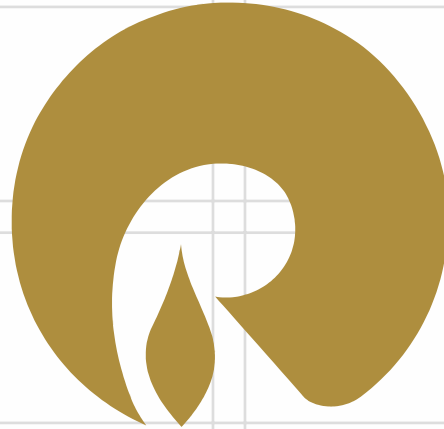
Summary



Summary



- Record performance from world-class business
- Strengthened E&P portfolio through new discoveries – current 2P reserves at 4.4 billion BOE
- Best in class project execution brings RPL refinery project ahead of schedule
- Two international acquisitions help strengthen portfolio



Thank You

