

India's Second Tryst with Destiny

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Forward Looking Statements



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Welcome to India



Welcome to Goa





India - Inflection Point for Hyper Growth

Reliance –Value Creation Philosophy

Reliance Infocomm

Conclusion

India at an Inflection Point



- Economic reforms unleash Indian capabilities
- Integration with global markets enhances competitiveness of India Inc
- Development - core issue in Elections 2004
- Large and rapidly growing domestic market
- Knowledge economy leveraging huge talent pool

Virtuous cycle for accelerated growth

Robust Financial Environment



- Vibrant financial sector
- Lowest NPAs in financial system
- Governance and accountability mechanisms
- Fiscal deficit correction underway
- Thinking beyond FDI
- Multi-trillion \$ opportunity
 - Income for India
 - Efficiencies for the world

Reinforces virtuous cycle for accelerated growth

Indian Markets - Demographics



- 44 % of population less than 19 years
- Estimated literacy rate for this segment is over 75%
- Working population (19 – 60 years of age) will increase from 485 mn to 615 mn by 2010
- Educational base of 21 mn professionals and 90 mn graduates/post graduates by 2010

Source: GOI, BIU

Changing demographics driving growth

Indian Market – Income Distribution

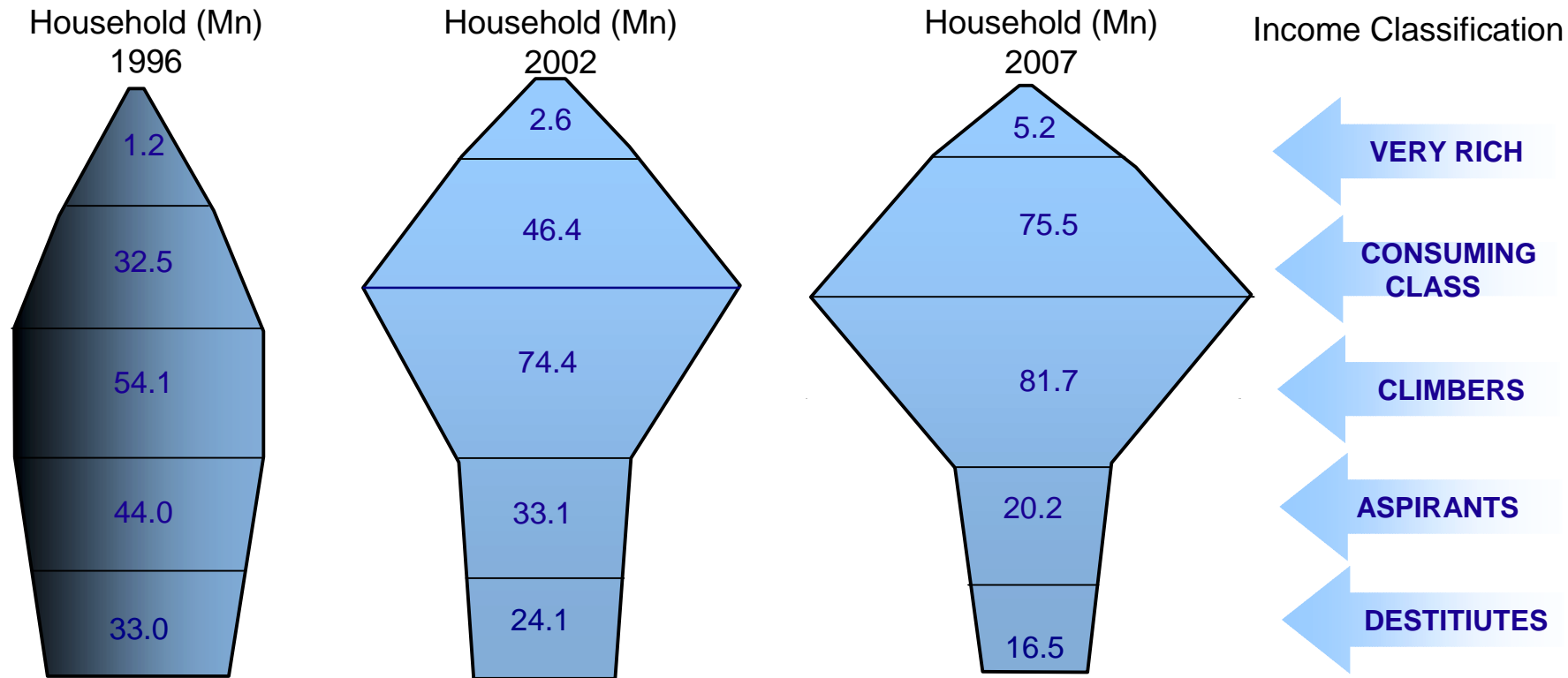


Indian markets categorized based on household income

Demographic Classification by NCAER	Average Annual Household Income (US\$)
Very Rich	19,500
Consuming Class	4,500
Climbers	2,300
Aspirants	980
Destitutes	440

NCAER : National Centre for Applied Economic Research

Demographic Transformation of India



- Addition of 100mn to the Consuming Class during 1996-2002
- Reduction in Aspirants and Destitutes by about 225 mn in 10 years

Half a billion very rich and consuming class by 2007

India's Growth Potential



Estimated Potential based on comparable benchmarks

Particulars	Units	India		Growth (Per cent)
		Current Base	2007 Potential	
Car sales	Mn/annum	0.6	1.5	150%
Mobile Users	Mn	28	170	510%
Internet users	Mn	13	56	330%
TV Owners	Mn	92	220	140%
Oil Consumption	Mn tonnes/annum	113	263	140%
Healthcare Exp.	US \$bn/annum	23	46	100%
Power Consumption	Mn MWH/annum	404	882	120%

India's potential in 2007 is derived by applying the 2002 comparable benchmarks to the corresponding demographic segment as projected in 2007

Source: CRISIL

Huge potential growth of 100 % to 500 %

India Going Forward



- Young and Vibrant Nation
- Rising consumer aspirations
- A new mindset of confidence
- Growth in all segments of the economy
- Delivering value to the world in the knowledge age
- Social equity through economic growth

India – An Emerging Economic Superpower

Coverage



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Reliance's Leadership Position in India



	US \$ bn	Rank
Sales	19.4	1
Exports	3.2	1
Cash Flow	2.2	1
Net Profit	1.2	1
Net Worth	8.8	1
Assets	18.0	1
Market Capitalization	21.0	1

Among the world's top 200 companies in profits

Reliance's Track Record Since IPO



Parameter	Since 1977 CAGR (%)
Sales	33%
Net Profit	36%
Cash Profit	40%
Assets	36%
Market Cap	42%

Unprecedented track record of sustained growth

Key Contribution to Indian Economy



Parameter	India US \$ bn	Reliance US \$ bn	%
Gross Turnover as % of GDP	471.0	19.7	4 %
Indirect Taxes	30.0	3.1	10 %
Exports	51.0	3.2	6 %
BSE Market cap	260	21.0	8 %
Weightage in Sensex			16 %
Weightage in MSCI			15 %

Largest contribution by a single business house

Corporate Philosophy



- World scale, and world class
- State-of-the-art technologies
- Integration across the complete value chain
- Global competitiveness
- Leadership in chosen areas of business
- Superior project execution
- Financial conservatism
- Highest standards for Health, Safety and Environment
- Consistent overall shareholder value enhancement

Global best practices in all our operations

Growth Trajectory



- 1977-1999 Manufacturing businesses
- 2000 onwards
 - Exploration & Production (E &P)
 - Creating competencies in Services businesses
 - Petroleum retailing
 - Power distribution
 - Infocomm

Thrust on higher margins Services sector

Global Leadership - Polyester



- Asia to become textiles hub with dismantling of quota regime
- Lowest capital and operating cost positions
- DuPont Global Research moves to Reliance
- New capacity at marginal costs
- Innovation – Launch of speciality products

Indian textile exports to increase 350 % to \$ 50 bn by 2010

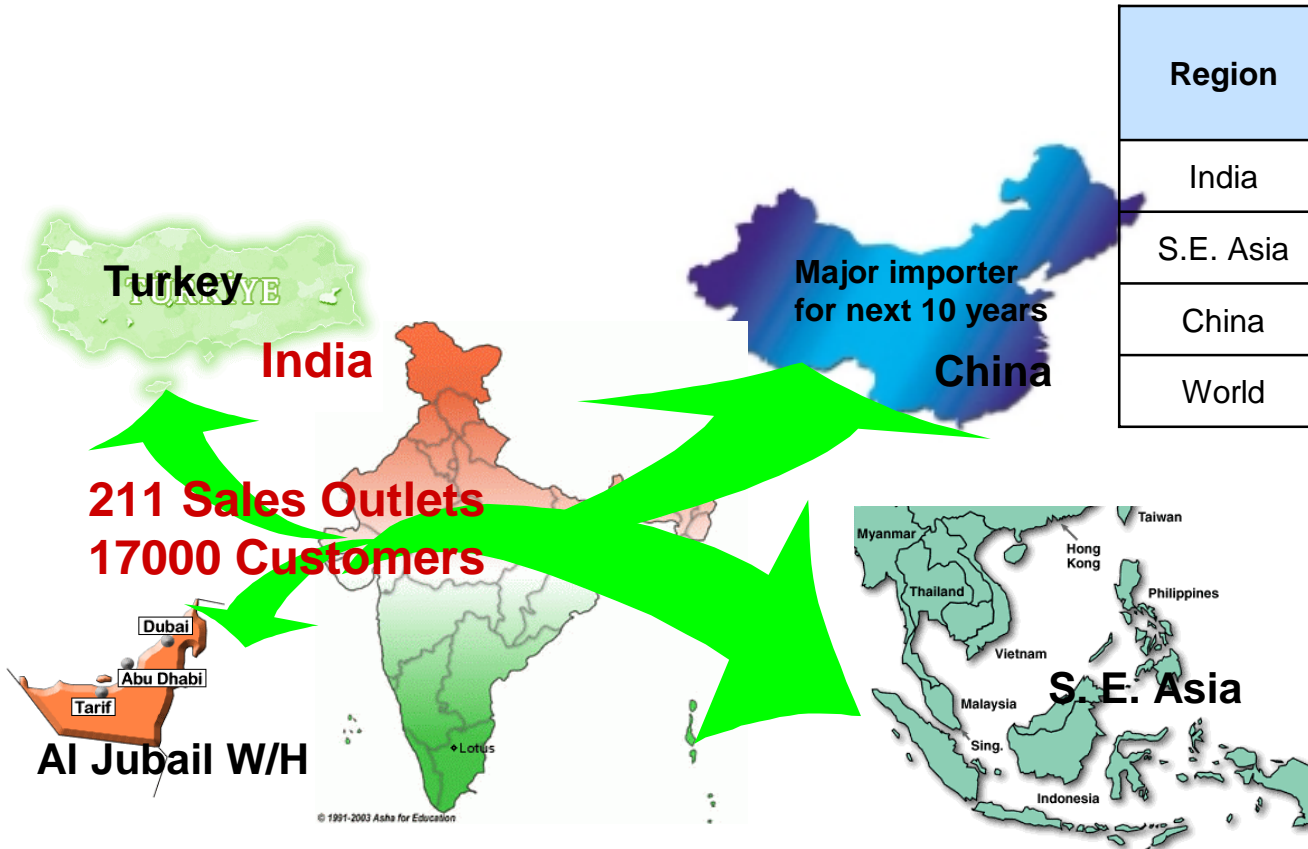
Global Leadership - Polymers



- Enhanced feedstock integration with gas finds
- Lowest capital and operating cost positions
- Proximity to major consumption markets
- New capacities at marginal costs
- Focus on Research & Development and Innovation
 - Strong IPR (> 30 international patents)
 - 50 new product applications developed every year

India - 3rd largest polymer market by 2010

Polymers – Strategic Location



Region	Consumption 2010* (MMT)	Growth Rate 2002-10
India	12.3	12 %
S.E. Asia	19.6	6 %
China	36.3	8
World	179	5

Ideal to serve large and rapidly growing markets

Refining Advantage



- Amongst the World's top five refineries in productivity and efficiency
- Strategically located near supply sources and markets
- Consistently earning \$3 – \$3.5 / bbl extra margins over its peers
- Ability to double refinery capacity at 25% of original capex
- Ability to meet most stringent product specifications
- Operating rates in refineries globally likely to cross 90 % in next two years

Continued profitability assured

Retail Marketing Opportunity



- India is a “Diesel” economy, with HSD consumption accounting for 40% of total petroleum product consumption
- The Golden Quadrilateral, North-South and East-West super highways offer significant growth opportunity
 - Almost 60% of HSD retail marketing is expected to shift to these highways
- Core competencies to be leveraged for Retail initiative

Retailing to enhance returns for refining business

Power Opportunity



- Reliance Energy is India's largest integrated private sector player
- Servicing over 5 mn customers mainly in Mumbai and Delhi
- Distribution capacity of 5,000 MW, generation capacity is only 943 MW - huge immediate potential
- Capture emerging "Gas-to-Power" integration opportunities, by leveraging substantial gas reserves
- Power sector reforms provide the opportunity to substantially increase the customer base

Growth philosophy - Well-head to Wall-socket

E & P – Opportunity in India



- India's current gas demand is 151 million cubic meters per day (MMSCMD) – will increase to 231 MMSCMD in the next 5 years
- Current domestic supply of gas is just 65 MMSCMD – deficit of 86 MMSCMD
- Large demand-supply gap over the next 5 years
- Ready market for our natural gas – LNG likely to be priced out

Share of gas in energy consumption to increase significantly in line with global trends

World Scale Gas Discovery – KG-D6



- Reliance is India's largest private sector E&P player, with over 279,000 sq.kms. of exploration acreage, in 31 blocks
- Reliance made the largest gas discovery in the world in 2002 - India's biggest gas discovery in 3 decades
- Gas in-place reserves capable of producing 60 MMSCMD – nearly doubling the country's current gas production
- About 80% of the block still to be explored
- Gas discovery will lead to an incremental revenues of nearly US\$ 2 bn – EBITDA margins of 40%-50%

Enhancing India's energy security

Value Creation Strategy



- Sustain and enhance dominant share in our existing businesses in India's exponentially growing markets
- Leverage core competencies to replicate leadership in manufacturing in the Services sector
- Leverage Reliance brand for success in emerging retail opportunities

Existing and new businesses to generate superior returns on capital

Coverage



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Reliance Infocomm

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Reliance Infocomm



Infocomm Vision



- Increase India's teledensity by providing connectivity and mobility at disruptive prices affordable by the masses
- Broadband applications for enterprises to enhance productivity
- Triple play for the home segment to fully meet customers' needs for information, communication and entertainment
- Leverage digital infrastructure to realize the full potential of India's talent pool
- Platform for building a global Infocomm business

Ushering in 'A New Way of Life'

Infocomm Strategy



- Fully integrated across the entire Infocomm Value chain covering:
Content → Applications → Network → Service → CPE
- Ubiquitous network providing 100 MBPS of bandwidth per CPE
- Digital distribution network fully capable of offering:
 - Voice, Video & Data
 - Using CDMA 1x/EV-DO, FTTB, LMDS technologies
- Customer ownership through control of last mile

A holistic approach to “A New Way of Life”

India's Infocomm opportunity by 2007



Segment / Business	No. of Customers	Ability to pay (\$/month)	Potential Annual Revenue
Consumer / SOHO (Wireless)	170 mn	\$ 8	\$ 16 bn
Consumer / SOHO (Wireline/Broadband)	90 mn	\$ 12	\$ 13 bn
Large Enterprises (Wireless and Broadband)	8,000	\$ 20,000	\$ 2 bn
Small & Medium Enterprise (Wireless and Broadband)	8 mn	\$ 100	\$ 9 bn
Total	180 mn unique customers	-	\$ 40 bn

- Indian Infocomm market currently at US\$14 bn - underserved in voice, data, computing and applications for consumer and enterprise
- A population of over 1 bn individuals – teledensity to grow from 7% to 25%

Infocomm revenues to grow to \$40bn by 2007

How does Indian Mobile market compare with China



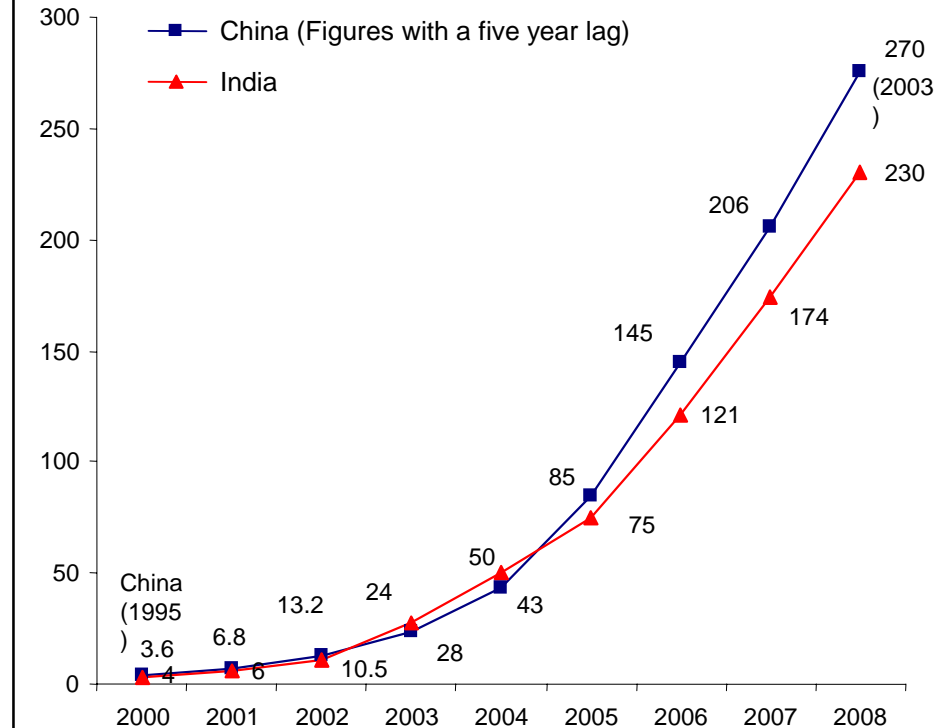
Mobile subscribers India vs China Forecast Mobile subscribers in India vs China

Subscribers as of end December (in millions) and as a % of Population

China		India	
Year	Subs	Year	Subs
1994	1.6 (0.13%)	1999	1.6 (0.16%)
1995	3.6 (0.29%)	2000	3.1 (0.30%)
1996	6.8 (0.54%)	2001	5.5 (0.53%)
1997	13.2 (1.03%)	2002	10.5 (1.02%)
1998	24.0 (1.84%)	2003	28.0 (2.70%)

Sources: China : MII; India : COAI

Subscribers as of end December (in millions)



Sources: MII, India: extrapolated based on same penetration as China

A historical 5 year lag vs China....

...Will continue and take India's Mobile subscriber base to 230 mn in 2008

1 Mobile operator in 7 months of launch



- 6.5 mn subscribers with 22% mobile market share
- Ranked #1 as India's Most Trusted Telecom brand and #3 as India's Most Trusted Services Brand (Source:ET Brand Equity with AC Nielsen & ORG MARG)
- Nationwide CDMA 1X network rolled out in over 1,100 cities and towns covering 95% of the population
- Next Phase rollout to cover an additional 5,000 towns
- On-line Mobile portal 'R-World' logs 35 mn hits a day
- 200,000 subscribers accessing the internet at speeds upto 144 kbps

Successful implementation of 'mobile' vision
sets the stage for leadership in Services



■ Enterprise Broadband: Empowering Organizations

- Target to cover 200 cities with FTTB/FTTC
- Bundling of Voice & Data to increase competitive positioning
- Offering service class SLAs

■ Consumer Broadband: The Future of Digital Homes

- Ethernet to every home
- Set top box capable of offering interactive TV services such as VOD, Broadband Internet access, Video Conferencing, Gaming and others

■ Long Distance: Connecting India and the Global Market

- 60,000 RKms of nationwide OFC backbone with terabit capacity
- Acquisition of Flag Telecom gives access to 55,000 kms of undersea cable, landing stations in 17 countries across 4 continents

Enabling 'A Digital Way of Life'

Coverage



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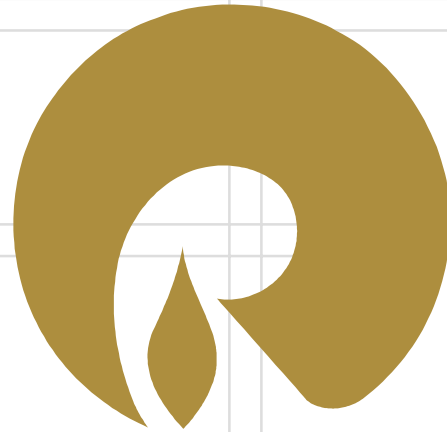
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Conclusion



- Contribution of Services in overall business portfolio to increase significantly
- Harness India's formidable talent for IP creation
- Changing business portfolio to lead to:
 - Higher Revenue to Assets ratio
 - Enhanced EBITDA margins
 - Increased cash flows and profitability
 - Higher P/E multiples

Will enhance Shareholder value manifold



Growth is Life

Thank You