

Towards Global Leadership

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Forward Looking Statements



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Forward-looking statements are based on certain assumptions and expectations of future events. The Reliance group companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. 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.

Coverage



The India Advantage

The Reliance Group

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India: A Dynamic Global Player



- India has arrived on the global horizon as a dynamic player.
- It has distinct advantages in four crucial areas; relative to other emerging economies.
- Each has a multiplier effect on growth, productivity and profits.
- India's core strengths are:
 - Institutions
 - People
 - Talent
 - Market

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India: A Dynamic Global Player



■ Advantage India: Institutions

- India's democratic stability is a strategic input in rapid growth.
- India's capital markets are fully integrated with global economy.
- India has robust institutions spread over a wide range.
 - Legal System
 - Judicial Infrastructure
 - Patent Laws
 - National Stock Exchange
 - Regulatory Authorities (e.g. SEBI which is equivalent to SEC)

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India: A Dynamic Global Player



■ Advantage India – Technology & Innovation

- India has enthusiastically embraced technology and innovation.
- In communication infrastructure, India is amongst top 10 globally.
- Over the past four years, number of mobile subscribers have exploded from 5 million to 50 million.
- Per minute call tariffs fell from \$ 1/minute to 2 c/minute while the government spent nothing.
- Technology allows India to participate in the unbundling of industries like energy, pharma, auto components, etc.
- In 1995 technology export were \$ 1 billion.
- In 2005, it is poised to cross \$ 25 billion, a 38% 10-year CAGR.

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India: A Dynamic Global Player



- Advantage India: A land of a billion opportunities.
 - Over the last hundred years, the world moved from a 1.6 trillion US dollar economy to a 30 trillion US dollar economy.
 - Over the next fifty years, the world will accelerate to a 60 trillion US dollar economy.
 - Greater mobility of international capital is an opportunity for India to tap into the global savings of 2 trillion US dollars.
 - Rising aspirations and increasing per-capita incomes is an opportunity for India to create and leverage a large domestic market.
 - India is a country of a billion people. In fact, it is a land of a billion opportunities.

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Advantage India: People & Talent



- India has a young, upwardly mobile, professionally competent and technology savvy workforce.
- 44% of Indian population is less than 19 years.
- Estimated Rate of Literacy in this segment is 75%.
- Working population – Estimated to increase by 130 million, to 615 million.
- When India's population reaches 1.3 billion, 400 million Indians will be under the age of 35.
- Population with incomes over \$3000 will increase 14 times.
- This will unleash an unprecedented demand for high quality goods and services.

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Advantage India: Consumer Revolution



- India has the second largest consumer base in the world.
- 300-400 million young Indians will enter the workforce in the next 20 years.
- They will be fired with an irrepressible urge for a dramatic change in the quality of life.
- They will be the harbinger of an irreversible consumer revolution in India.
- India's growth will be driven from below: Consumer will lead; businesses will follow.

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India's No. 1 Private Sector Group



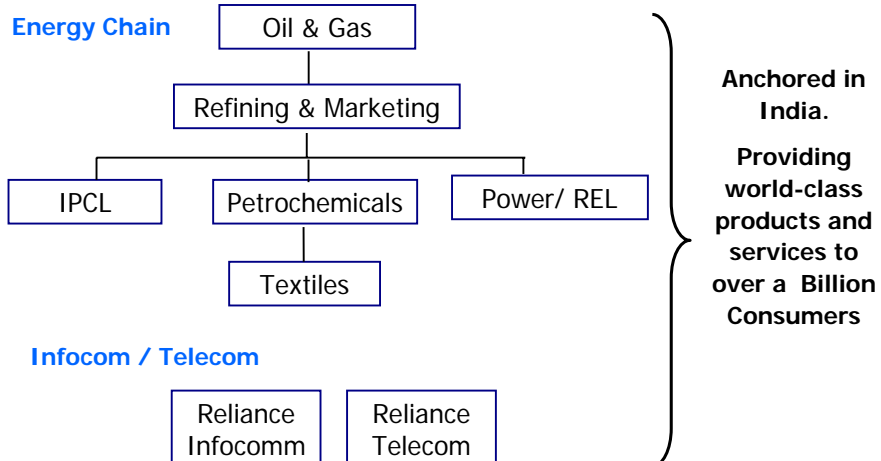
- Revenues US\$ 23 billion
- Cash flows US\$ 2.8 billion
- Net income US\$ 1.4 billion
- 95% of revenues – energy chain



A US\$ 23 billion enterprise created in 25 years

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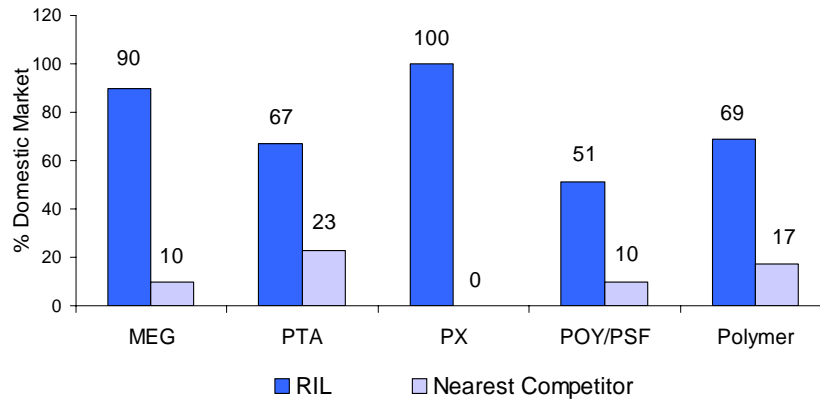
An Integrated Energy company, with Interests in Services Businesses ...



A diversified portfolio of manufacturing and services businesses

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Leading Market Shares in India



Leader in all its major businesses

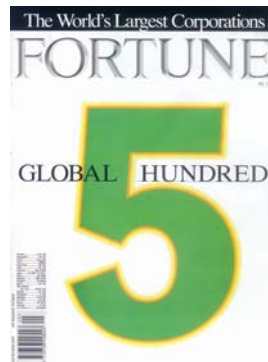
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....with Global Ranks



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

	Global Rank
Net Profit	189
Net Worth	259
Assets	377
Net Sales	482



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

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Reliance: Contribution to Indian Economy



- The Group contributes
 - revenues equivalent to 3.5% of India's GDP
 - 7% of exports and
 - 10% of the Central Government's indirect tax revenues
 - 17% of the profits of the private sector
- The Group constitutes
 - 12.3% of the Bombay Stock Exchange Index
 - 10.2% of the National Stock Exchange Index

Catalyst for the Indian socio-economic growth

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Shareholder Value Enhancement



- Reliance has achieved exponential growth without any equity offering for the past 10 years
 - increased capacity from 1 million tonnes to 45 million tonnes per annum
 - over 1100% growth in revenues
 - over 550% growth in profits
 - over 500% growth in market capitalisation
- An investor in IPO in 1977 would have earned compounded annual returns of 23.4%
- Stock has outperformed the BSE Sensex by 121% over the last 10 year period
- 2005 – India's biggest share buy-back totaling Rs. 2999 crores (USD 680M) aimed at increasing EPS and RONW

Reliance - instrumental in creating retail equity culture in India

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Reliance – The High Growth Journey

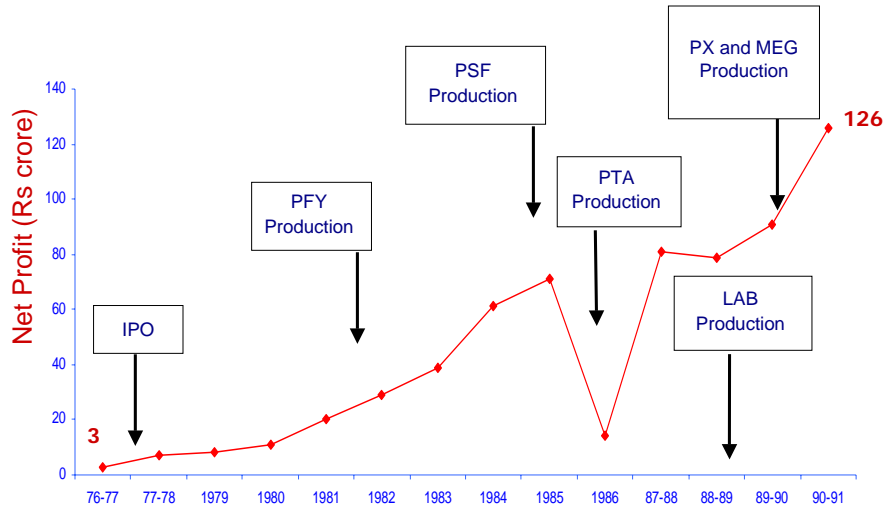


1970s	1980s	1990s	1990s	2000s	2000s
Textiles	Polyester	Plastics	Refining Products	Oil & Gas	Investments in Services
					
Suiting Shirting Furnishings Pillows Fabrics	PSF PFY POY P. Chips PTA PX LAB	LLDPE PP PVC MEG Ethylene Propylene VCM EO Pipes PET	LPG Gasoline Naphtha ATF Kerosene Diesel Petcoke Sulphur	Crude Oil Natural Gas E&P	Power Infocomm Retailing Infrastructure Logistics Finance

Vertical integration, International Competitiveness, Participation in sectors with strong growth potential

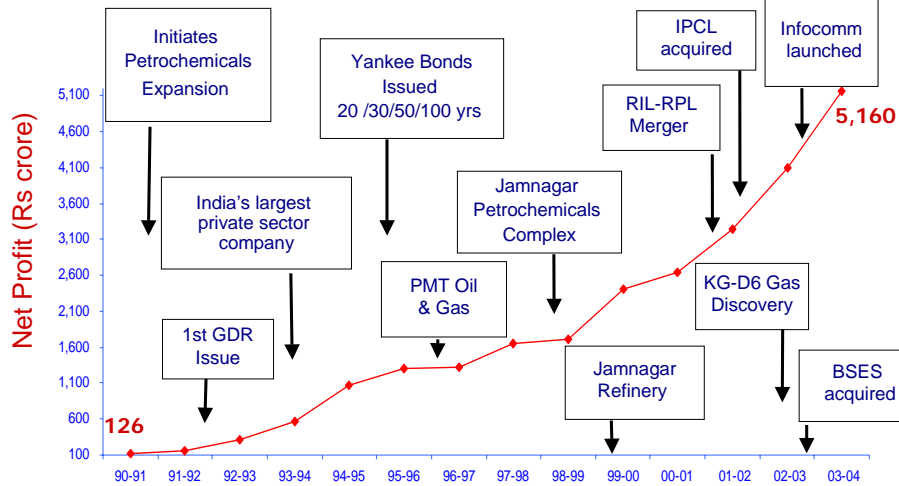
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Milestones.....Pre-liberalisation



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Milestones..... Post-liberalisation



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Rapid Growth Journey

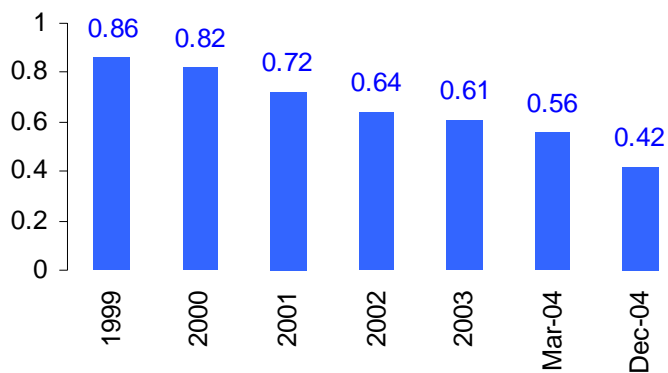


	FY 1978 US\$ Mill	FY 1991 US\$ Mill	FY 2004 US\$ Mill	CARG % 1991-2004
Sales	76	1,083	17,022	24
Cash Profit	5	155	2,104	22
Net Profit	3	65	1,180	25
Networth	11	595	7,881	22
Total Assets	38	1,400	16,277	21
Exports	7	29	3,424	44
Market Cap	11	942	17,185	25

Added Market cap of US\$ 17 Bn since IPO, and US\$ 14 Bn in the last 5 years

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...Achieved with a Conservative Debt:Equity Profile...



Asset creation of US\$ 14 billion in the last decade, while adopting a conservative financial framework

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“Mantras” for Success



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

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

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World scale and World Class Projects



	Global Rank
Polyester (fibre and yarn)	1
Paraxylene	3
PTA	5
Polypropylene	7
Refining	3 rd largest refinery at single location



Amongst the top ten Global players based on Capacity in major product categories

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State-of-the-art Technologies



Business

- Refinery
- Polyester
- Paraxylene
- PTA
- LAB
- Polyethylene
- PVC
- MEG
- Ethylene Cracker
- Polypropylene
- PET

Technology

UOP, Foster Wheeler, Linde, BV Pritchard
DuPont, USA
UOP, USA
ICI, UK
UOP, USA
Novacor Chemicals, Canada
Geon Company, USA
ABB Lummus Crest, Netherlands
Stone & Webster, USA
John Brown, UK (Unipol process)
DuPont and Sinco, Italy

Reliance's manufacturing facilities are all based on contemporary leading technologies

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Global Competitiveness - Exports



- Reliance is the largest exporter in India with exports of US\$5 billion
- Share of exports increasing – now at 24% of turnover
- Exporting to 97 countries



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

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Pioneering Financial Transactions



- Indian first private sector company to tap GDR and FCCB markets
- India's first issuer of Yankee Bonds, Sterling Bonds and European private placement market
- 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
- Recent Transactions include
 - USD 150 million equivalent in EUR - the First ECA covered facility for RIL in over 2 decades
 - USD 350 million - First Multi-currency (JPY, USD, EUR) transaction in India

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

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Corporate Governance



- Governance Committee comprising 3 independent directors set-up
 - Will oversee/interface with stakeholders incl. investors, media and institutions
 - Review observance of corporate governance standards at all levels and suggest remedial measures, wherever necessary
 - Provide timely and accurate information to all concerned
 - Interact with the FIIs and rating agencies
- Committee has appointed CRISIL as adviser for RIL and Infocomm – CRISIL to recommend standards that are at par with international peers

Steps initiated to make Reliance follow globally accepted norms

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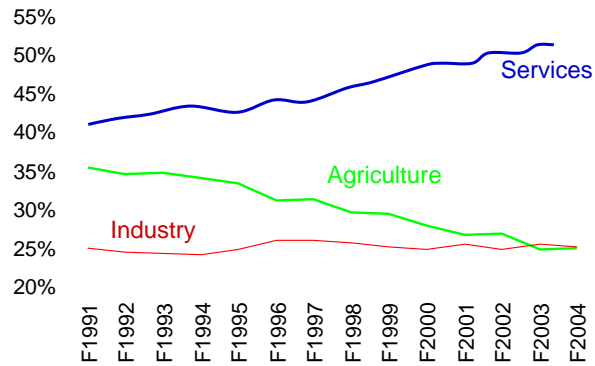
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Indian GDP Trend



RBI, CSO

Increasing contribution of Services & Manufacturing in Indian Economy

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We Mirror India's Growth



- Manufacturing
 - Oil and Gas Exploration and Production
 - Petroleum Refining
 - Petrochemicals
 - Power Generation and Transmission
- Services
 - Information and Communications
 - Retailing of Petroleum products
 - Power Distribution

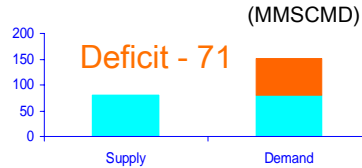
Partnering the country's critical infrastructure needs

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E & P – Exponential Growth Opportunity



- India's gas demand will increase to 231 MMSCMD in the next 5 years
- Large demand-supply gap over the next 5 years
- Reliance investing USD 4 Bn in Exploration and development of gas fields
- Gas discovery will lead to a significant increase in Revenues
- Gas discoveries present an opportunity to integrate with Power and Petrochemical projects



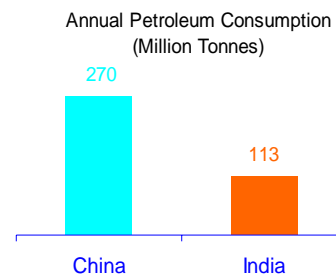
E&P contribution to increase from 2% to 15-20% of revenue

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Retail Marketing



- New road building initiatives - over 10,000 kms of highways under construction
- Various segments of automobile market growing at 20-30%
- Reliance with 25% of domestic refining capacity, fully geared for downstream integration
- Nationwide rollout of 2000 outlets by 2005-06



Retailing of petroleum products is the next big opportunity

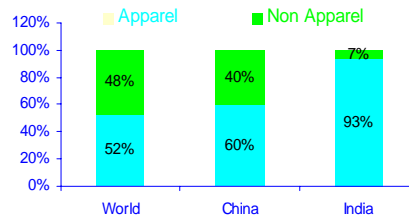
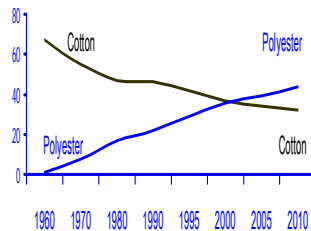
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Polyester



Polyester – Dominant fiber in the world

Opportunity - growth in non-apparel segment



- Manufacturing capacity shifting – Asia to account for 85 % of the 43 mn. global capacity by 2010.
- Dismantling of quota regime (January 2005) - 4 million MT opportunity for China and India

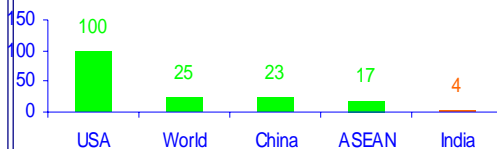
Source: PCI

Capture emerging opportunities and sustain global leadership – capacity to touch 1.8 mn MT with addition of 0.5 mn MT

Polymers



India – per capita consumption still low
Per Capita Consumption (Kg)



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 %

Asia, led by China – large and growing market

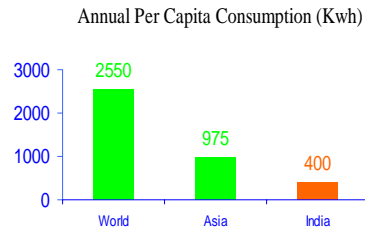
- Polymers continue to provide a large growth opportunity
- Gas finds in India and surplus in neighboring regions provide an opportunity for building cost-efficient newer capacities

Reliance to add 1 MT in Polymer capacity in next three years – target to be amongst Top 3 Global producers

Power



- Power generation capacity :
 - India 105,000 MW
 - China 320,000 MW
- Current Annual addition in India is at 4,000 MW
- Required - additional capacity of 100,000 MW over next 10 years
- A unique growth opportunity for Reliance Energy, benefiting from power sector reforms
- Reliance Energy is India's largest integrated private sector player, servicing over 5 mn consumers



Set to capture emerging "Gas-to-Power" integration opportunity by leveraging substantial reserves

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India's Infocomm Market by 2008



Segment / Business	No. of Customers/Lines	ARPU (\$/month)	Annual Revenue
Wireless (Voice + Data)	150 mn	\$ 8	\$ 14 bn
Wireline / Broadband (Voice + Data)	55 mn	\$ 15	\$ 10 bn
Cable (Home Entertainment)	70 mn	\$ 6	\$ 5 bn
Total	-	-	\$ 29 bn

Source: Gartner, KPMG

- Indian Infocomm Market (Telecom + Home entertainment) estimated at US\$14bn is underserved in voice, video & computing for consumer/enterprise
- A population of over 1 bn individuals – tele-density to grow from 8% to 18%
- RIC well positioned to capture sizeable share of the US\$15bn incremental market over the next four years

Indian Infocomm revenue estimated at US\$29 Bn by 2008 – CAGR 20%

US\$15bn
Incremental
opportunity

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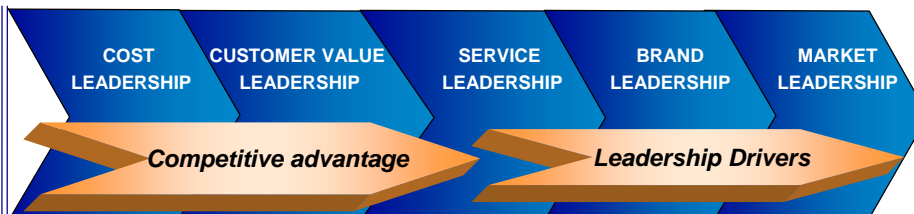
India's # 1 Mobile operator



Wireless	<ul style="list-style-type: none"> • Service available in 1,400+ towns • Pre-paid launched in Feb 2004 • PCO business launched in May 2004 • International roaming to GSM Networks in 172 countries available from March 2004 	<ul style="list-style-type: none"> • Service to be expanded to 5,700 towns and 400,000 villages by end 2005. • International roaming to CDMA networks.
Enterprise Broadband	<ul style="list-style-type: none"> • LMDS Network presence in 100 towns • Soft launch made in 29 cities • Fiber within 500 mtrs of 2 lakh buildings 	<ul style="list-style-type: none"> • Commercial launch in 30 cities • New collaborative applications like video conferencing
Consumer Broadband	<ul style="list-style-type: none"> • Trials in 4,000 households in Mumbai and Jamnagar 	<ul style="list-style-type: none"> • Pilot project with franchisees in Mumbai for voice and data
International Business	<ul style="list-style-type: none"> • Acquired Flag Telecom in January 04 • Launched "India Calling" card in US in June 2004 	<ul style="list-style-type: none"> • Construction for Falcon project to begin
	Till date	Planned

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Infocomm – Going Forward



- 40 mn Wireless subscribers in next 5 - 6 years
- 20 mn Broadband subscribers in the next 5 - 6 years
- 30% share of Data services market

20% Market Share in the rapidly growing Infocomm Business

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The New Growth Engines



- Substantial investments in Oil & Gas (USD 4 Bn)
 - New exploration activities
 - Development of gas fields
- Creation of retail marketing network for transportation fuels (USD 1.5 Bn)
- Increase in petrochemicals capacities (USD 2 Bn)
- Investments in new opportunities (USD 2 Bn)

Investments of USD 9.5 billion over the next five years

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Reliance Going Forward



- Integrated portfolio to deliver superior value across all business cycles
- Energy value chain to remain central to the future growth
- Infocomm and Power will evolve as high growth opportunities in the services and infrastructure sector
- Targeting aggregate cash flows of USD 12 to 14 Bn in the next 5 years
- Planned consolidated net profit growth of 15-20% YOY in next 5 years on enhanced base

What took us 25 years will be replicated in the next 5 years

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- Consistent overall shareholder value enhancement – CAGR of 18% over the last five years
- Financial conservatism – consistent AAA ratings, Assets creation of US\$ 18 billion with debt equity of 0.42:1
- World scale, world class projects – leading global ranks in refining & petrochemical business
- Globally competitive - Annual exports of US\$ 5 billion

Reliance is the leading corporate in a market of a billion people

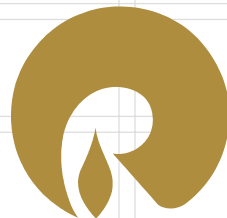
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Summary



- Reliance is a convergent play between the manufacturing and services businesses
- A combination of the energy chain and the information and communication businesses
- Reliance's superior operational and financial performance reflects its global competitiveness, prudent business strategies, and ability to maintain profitability through business cycles
- Reliance is committed to a conservative financial framework, and a consistent endeavor to maximise overall shareholder value

Reliance – India's World Class Corporation



Growth is Life

Thank You