

Reliance signs agreement to acquire assets in Malaysia Consolidating global polyester vision

Mumbai and Kuala Lumpur, September 10, 2007: Reliance Industries Limited (RIL) announced today that it reached an agreement with the Receivers and Managers of Hualon Corporation (M) Sdn Bhd (Receivers and Managers Appointed) [Hualon] in Malaysia, to acquire assets of Hualon. Hualon is a leading polyester producer in Malaysia with a polyester (fibre, yarn and resin) manufacturing capacity of half a million tons per annum along with downstream textile manufacturing capabilities spread over two locations in Malaysia namely, Nilai and Malacca. It is one of the largest exporters in Malaysia.

This agreement is an important step towards the acquisition of assets of Hualon. The agreement to acquire is subject to certain conditions and regulatory approvals.

This acquisition, when consummated, will be the second international acquisition in the polyester sector of RIL after the successful takeover of Trevira in Germany in 2004. This will help RIL consolidate its position further as the World's largest polyester manufacturer with 2.5 million tonnes capacity, 25% increase from the current capacity and increase in revenue by around USD one Billion. This acquisition will bestow RIL with more than 7% global market share in polyester fibre and yarn.

Commenting on this development Shri Mukesh Ambani, Chairman, Reliance Industries, said "Reliance celebrates its silver jubilee in polyester business with the acquisition of Hualon. The integrated assets of Hualon will help RIL to strengthen its position in the entire textile value chain and RIL will graduate to become a solution provider to the global textile industry. This acquisition reiterates our strong commitment to the growth of polyester."

This acquisition will help to achieve global vision of Reliance polyester sector through easy access to other Western markets. Reliance's existing R&D will help the industry in Malaysia to launch innovative products catering to high value premium segments. The integrated facility at Hualon will help RIL to comprehend the entire textile value chain and hasten new product developments in polyester.

Hualon:

Established in 1989, Hualon is an integrated polyester to textile manufacturing company in Malaysia with half a million tons of polyester capacity, 250 000 spindles for spun yarn manufacturing, 5800 shuttleless looms for weaving along with processing facilities. The company also has nylon filament manufacturing capability.

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The company has highly automated plants, cutting edge technology and the most advanced machinery.

Hualon was placed into receivership on 30th November 2006 and Mr Lim Tian Huat, Mr Adam Primus Bin Abdullah and Mr Stephen Duar, all of Ernst & Young, Malaysia were appointed the receivers and managers of Hualon with effect from that date.

Reliance Industries:

Reliance Industries Limited Reliance Industries Limited (RIL) is India's largest private sector company on all major financial parameters with turnover of Rs1,10,886 crore (US\$ 25.51 billion), cash profit of Rs15,768 crore (US\$ 3.63 billion), net profit of Rs10,908 crore (US\$ 2.51 billion) and net worth of Rs57,147 crore (US\$ 13.15 billion). RIL is the first and only private sector company from India to feature in the Fortune Global 500 list of 'World's Largest Corporations' since 2004 and ranks amongst the world's Top 200 companies in terms of profits. RIL emerged in the world's 10 most respected energy/chemicals companies and amongst the top 50 companies that create the most value for their shareholders in a global survey and research conducted by PricewaterhouseCoopers and Financial Times in 2004. RIL also features in the Forbes Global list of world's 400 best big companies and in FT Global 500 list of world's largest companies.

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