Media Release

Reliance Industries Limited

Mumbai, 17th January 2014

RECORD NINE MONTH REVENUE OF ₹ 303,495 CRORE ($ 49.1 BILLION), UP 6.7%

RECORD EXPORTS OF ₹ 208,950 CRORE ($ 33.8 BILLION), UP 16.4%

RECORD NET PROFIT OF ₹ 16,353 CRORE ($ 2.6 BILLION), UP 6.1%

PBDIT OF ₹ 29,446 CRORE ($ 4.8 BILLION), UP 2.5%

Reliance Industries Limited (RIL) today reported its financial performance for the quarter / nine months ended 31st December, 2013. Highlights of the un-audited financial results as compared to the previous year are:

(In ₹ Crore)	3Q FY14	2Q FY14	3Q FY13	% Change wrt 2Q FY14	% Change wrt 3Q FY13	9M FY14	9M FY13	% Change wrt 9M FY13
Turnover	**106,383**	**106,523**	96,307	(0.1%)	10.5%	303,495	284,500	6.7%
PBDIT	**9,927**	**9,909**	10,113	0.2%	(1.8%)	29,446	28,717	2.5%
Profit Before Tax	**6,992**	**6,871**	6,850	1.8%	2.1%	20,525	19,164	7.1%
Net Profit	**5,511**	**5,490**	5,502	0.4%	0.2%	16,353	15,414	6.1%
EPS (₹)	**17.1**	**17.0**	17.0	0.6%	0.6%	50.6	47.5	6.5%

HIGHLIGHTS OF NINE MONTH'S PERFORMANCE

- Revenue (turnover) increased by 6.7% to ₹ 303,495 crore ($ 49.1 billion)
- Exports increased by 16.4% to ₹ 208,950 crore ($ 33.8 billion)
- PBDIT increased by 2.5% to ₹ 29,446 crore ($ 4.8 billion)
- Profit Before Tax increased by 7.1% to ₹ 20,525 crore ($ 3.3 billion)
- Cash Profit increased by 0.9% to ₹ 22,753 crore ($ 3.7 billion)
- Net Profit increased by 6.1% to ₹ 16,353 crore ($ 2.6 billion)
- Gross Refining Margin at $ 7.8 /bbl for the nine month ended 31st December 2013

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HIGHLIGHTS OF QUARTER'S PERFORMANCE

- Revenue (turnover) increased by 10.5% to ₹ 106,383 crore ($ 17.2 billion)
- Exports increased by 11.3% to ₹ 74,495 crore ($ 12.1 billion)
- PBDIT decreased by 1.8% to ₹ 9,927 crore ($ 1.6 billion)
- Profit Before Tax increased by 2.1 % to ₹ 6,992 crore ($ 1.1 billion)
- Cash Profit decreased by 3.3% to ₹ 7,676 crore ($ 1.2 billion)
- Net Profit increased by 0.2% to ₹ 5,511 crore ($ 0.9 billion)
- Gross Refining Margin at $ 7.6 /bbl for the quarter

CORPORATE HIGHLIGHTS

- The Ministry of Petroleum and Natural Gas notified the Domestic Natural Gas Pricing Guidelines, 2014 for all domestically -produced gas, including conventional, shale, coal bed methane (CBM). These guidelines will be applicable from April 1, 2014.
- In August 2013, RIL and BP announced a new gas condensate discovery off the east coast of India in the Cauvery basin. The discovery, in the deepwater block CY-DWN-2001/2 (CYD5), is situated 62 kilometers from the coast in the Cauvery Basin and is the second gas discovery in the block. RIL is the operator with 70% equity and BP has a 30% share. Well CYIII-D5-S1 was drilled in a water depth of 1,743 meters, to a total depth of 5,731 meters, with the primary objective of exploring Mesozoic-aged reservoirs.
- In July 2013, RIL signed a Memorandum of Understanding with the Oil and Natural Gas Corporation (ONGC) to explore the possibility of sharing RIL's infrastructural facility in the East Coast. In line with global practice of sharing infrastructure, the MoU aims at working out the modalities for sharing of infrastructure, identifying additional requirements as well as firming up the commercial terms.
- In May 2013, RIL and its partners BP and NIKO announced a significant gas and condensate discovery in the KG-D6 block off the eastern coast of India. The KG-D6-MJ1 well was drilled in a water depth of 1,024 metres - and to a total depth of 4,509 metres - to explore the prospectivity of a Mesozoic Synrift Clastic reservoir lying over 2,000 metres below the already producing reservoirs in the D1-D3 gas fields. The discovery, named 'D55', has been notified to

the Government of India (GoI) and the Management Committee of the block. This discovery is expected to add to the hydrocarbon resources in the KG-D6 block.

- In December 2013, Reliance Jio Infocomm Limited (RJIL), a subsidiary of RIL, and Bharti Airtel Limited announced a comprehensive telecom infrastructure sharing arrangement under which they will share infrastructure created by both parties. This will include optic fibre network – inter and intra city, submarine cable networks, towers and internet broadband services and other such opportunities identified in the future. The cooperation is aimed at avoiding duplication of infrastructure, wherever possible, and to preserve capital and the environment.
- In October 2013, RJIL received Unified License for all 22 Service Areas across India and became the first telecom operator in the country to get pan India Unified License. The Unified License would allow RJIL to offer all telecom services including voice telephony under a single license. With grant of Unified License, RJIL has migrated its existing ISP license along with Broadband Wireless Access (BWA) spectrum to the Unified License with authorization for all services except Global Mobile Personal Communication by Satellite Service (GMPCS) under Unified License in all service areas.
- In June 2013, RJIL and Reliance Communications Limited signed of a definitive agreement for sharing of RCOM's nationwide telecom towers infrastructure. Under the terms of the agreement, Reliance Jio Infocomm will utilize upto 45,000 ground and rooftop based towers across RCOM's nationwide network for accelerated roll-out of its state-of-the-art 4G services. The agreement provides for joint working arrangements to configure the scope of additional towers to be built at new locations to ensure deep penetration and seamless delivery of next generation services.
- In April 2013, RJIL and Bharti Airtel Limited signed an Indefeasible Right to Use (IRU) Agreement, under which Bharti will provide Reliance Jio data capacity on its i2i submarine cable. Reliance Jio will utilize a dedicated fiber pair on i2i. The high speed link will enable Reliance Jio to extend its network and service reach to customers across Asia Pacific region.
- In April 2013, Telekom Malaysia Berhad (TM) (Malaysia), Vodafone Group (UK), Omantel (Oman), Etisalat (UAE), Reliance Jio Infocomm Limited (India) and Dialog Axiata (Sri Lanka) – signed the Construction and Maintenance Agreement (C&MA) and the Supply Contract for "Bay Of Bengal Gateway" Cable System (BBG) in Kuala Lumpur. The construction of BBG is

planned not only to provide connectivity between South East Asia, South Asia and the Middle East, but also to Europe, Africa and to the Far East Asia through interconnections with other existing and newly built cable systems landing in India, the Middle East and the Far East Asia.

- Standard & Poor's raised the long-term corporate credit rating on Reliance to 'BBB+' from 'BBB', one of the highest ratings by S&P for an Indian corporate and the highest rating by S&P for an Indian Oil & Gas company. The new rating which is two notches above the S&P rating for the Indian sovereign is testament to Reliance's strong financial and business profile. Furthermore, Reliance is the only Asian company in the oil & gas sector to be rated two notches above the sovereign by S&P. With this upgrade, Reliance is now rated higher than some of its global emerging market peers demonstrating the strength and competitive position of Reliance in the refining and petrochemicals sector. The rating also underpins Reliance’s position as a leading large scale, integrated and efficient oil refining and petrochemicals Company.

Commenting on the results, Mukesh D. Ambani, Chairman and Managing Director, Reliance Industries Limited said: *“Reliance’s robust refining configuration enabled it to deliver stable refining profits in 3Q FY14, against the backdrop of declining regional benchmark margins. Even as we invest to further strengthen our energy businesses, this quarter demonstrates the outstanding quality of our refining and petrochemical business resources and their ability to deliver creditable performance in a period marked by cyclicality and uncertainties. We are happy to announce the commissioning of our new polyester facility in Silvassa, the first amongst a series of projects that underpin RIL’s industry-leading competitive position. Our retail business continues on its rapid growth trajectory with 38% revenue growth during the quarter.”*

FINANCIAL PERFORMANCE REVIEW AND ANALYSIS

RIL achieved a turnover of ₹ 303,495 crore ($ 49.1 billion) for the nine months ended 31st December 2013, an increase of 6.7%, as compared to ₹ 284,500 crore in the corresponding period of the previous year. Higher prices accounted for 6.4% growth in revenue while increase in volume accounted for 0.3% growth in revenue. Exports were higher by 16.4% on a Y-o-Y basis at

₹ 208,950 crore ($ 33.8 billion) as against ₹ 179,581 crore in the corresponding period of the previous year.

Higher crude oil prices were the main reason for the 5.6% increase in cost of raw materials from ₹ 235,145 crore to ₹ 248,218 crore ($ 40.2 billion) on Y-o-Y basis.

Employee costs were at ₹ 2,422 crore ($ 392 million) as against ₹ 2,562 crore in the corresponding period of the previous year.

Other expenditure increased by 14.0% on a Y-o-Y basis from ₹ 17,177 crore to ₹ 19,579 crore ($ 3.2 billion) primarily due to higher expenses on account of power and fuel consumption.

Operating profit before other income and depreciation decreased by 1.8% on a Y-o-Y basis from ₹ 22,962 crore to ₹ 22,546 ($ 3.6 billion) crore due to lower production in the oil & gas business, partly offset by higher contribution from the petrochemical business.

Other income was higher at ₹ 6,900 crore ($ 1.1 billion) as against ₹ 5,755 crore in the corresponding period of the previous year. This was mainly on account of higher liquid investments.

Depreciation (including depletion and amortization) was lower by 9.9% to ₹ 6,514 crore ($ 1.1 billion) as compared to ₹ 7,226 crore in the corresponding period of the previous year. This was primarily due to lower production of oil & gas.

Interest cost was higher at ₹ 2,407 crore ($ 389 million) as against ₹ 2,327 crore in the corresponding period of the previous year mainly on account of depreciation of the Indian rupee. This resulted in gross interest cost being higher at ₹ 2,923 crore ($ 473 million) as against ₹ 2,492 crore in the corresponding period of the previous year. Interest capitalized was at ₹ 516 crore ($ 83 million) as against ₹ 165 crore in the corresponding period of the previous year.

Profit after tax was higher by 6.1% at ₹ 16,353 crore ($ 2.6 billion) as against ₹ 15,414 crore in the corresponding period of the previous year.

Basic earnings per share (EPS) for the nine month ended 31st December 2013 was ₹ 50.6 ($ 0.8) against ₹ 47.5 in the corresponding period of the previous year.

Outstanding debt as on 31st December 2013 was ₹ 81,330 crore ($ 13.2 billion) compared to ₹ 72,427 crore as on 31st March 2013.

RIL had cash and cash equivalents of ₹ 88,705 crore ($ 14.4 billion). These were in bank deposits, mutual funds, CDs and Government securities / bonds. RIL is debt free on a net basis as at 31st December 2013.

The net addition to fixed assets for the nine month ended 31st December 2013 was ₹ 27,645 crore ($ 4.5 billion) including exchange rate difference capitalization. Capital expenditure was principally on account of ongoing expansions projects in the petrochemicals and refining business at Jamnagar, Dahej, Silvassa and Hazira.

RIL retained its domestic credit ratings of AAA from CRISIL and FITCH and an investment grade rating for its international debt from Moody's as Baa2. S&P has raised the long term corporate credit rating to BBB+ from BBB.

OIL AND GAS (EXPLORATION & PRODUCTION) BUSINESS

(In ₹ Crore)	3Q FY14	2Q FY14	3Q FY13	% Change wrt 2Q FY14	% Change wrt 3Q FY13	9M FY14	9M FY13	% Change wrt 9M FY13
Segment Revenue	**1,733**	**1,464**	1,921	18.4%	(9.8%)	**4,651**	6,683	(30.4%)
Segment EBIT	**540**	**356**	590	51.7%	(8.5%)	**1,248**	2,427	(48.6%)
EBIT Margin (%)	**31.2%**	**24.3%**	30.7%			**26.8%**	36.3%	

The Ministry of Petroleum and Natural Gas notified the Domestic Natural Gas Pricing Guidelines, 2014 for all domestically -produced gas, including conventional, shale, coal bed methane (CBM). These guidelines will be applicable from April 1, 2014.

DOMESTIC OPERATIONS

KG-D6

Production update:

KG-D6 field produced 1.45 million barrels of crude oil, 0.2 million barrels of condensate and 135 BCF of natural gas in 9M FY14, a reduction of 38%, 44% and 51%respectively on a Y-o-Y basis. Fall in production is mainly attributed to geological complexity and natural decline in the fields.

Key Project update:

- Exploration – Appraisal of D55 discovery
  - Drilling of first appraisal well for MJ-A1 is in progress and expected to be completed by end of February 2014.
- MA Field
  - Drilling of development well MA8H completed and put to production in January 2014 with current plan for incremental production rate of ~2.5 MMSCMD of gas
- D1-D3 Field
  - Booster compressor – Engineering and Construction works underway for OT Booster Compressor
  - Water shut off jobs to enhance recovery – Well A2A plug-job underway

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- R-Cluster Development
    - Concept validation and Front End Engineering & Design (FEED) completed.
- Currently 2 Rigs are in operation in KG-D6 block.

Panna-Mukta and Tapti (PMT)

Production update:

Panna-Mukta fields produced 5.7 million barrels of crude oil and 50.9 BCF of natural gas in 9M FY14 – reduction of 11% and 7% respectively on Y-o-Y basis. The decrease in production was due to a shut-down of Panna-Mukta field for three days for SBM maintenance and re-certification work, coupled with natural decline. The decline in production was partly compensated by incremental production from Panna “L” area and Infill wells.

Tapti produced 0.2 million barrels of condensate and 21.4 BCF of natural gas in 9M FY14 – a decline of 52% and 41% respectively on Y-o-Y basis. The decrease was due to a natural decline and under performance of new ERD wells drilled in last year.

Key project update:

- **Panna “L” area -** All 6 wells completed and put to production with production rate of ~2,500 BPD.
- **Infill drilling campaign in Panna-Mukta field –** Out of 7 wells, 4 wells are completed with production rate of ~2,800 BPD and balance 3 wells are likely to be completed by 4Q FY14.
- **Mukta-B Development –** Development plan submitted and approved by Management Committee (MC) during the quarter. EPIC contract has also been awarded.

CBM BLOCKS

RIL holds 2 CBM blocks in Central India viz. Sohagpur (East) and Sohagpur (West) which are in development phase.

Surface Hole Rig & Production Hole Rig mobilized and drilling operation commenced from Nov’13.

INTERNATIONAL OPERATIONS (SHALE GAS)

Reliance's shale gas business in the United States comprises of three upstream joint ventures, one each with Chevron, Pioneer Natural Resources and Carrizo Oil & Gas and a midstream joint venture with Pioneer. Aggregate investments since inception of these joint ventures stood at around $ 6.8 billion, as at the end of 3Q FY14.

Reliance's shale gas business witnessed strong sequential growth during the quarter. Reliance's share of gross production stood at 43 Bcfe in 3Q FY14, which reflected a growth of 33% Y-o-Y. On a sequential quarter basis, volumes grew 18% as a result of:

(i) increased number of wells turned online at Pioneer compared to the previous quarter;
(ii) increased volumes from wells put on production towards end of last quarter at Chevron; and
(iii) improved production at Carrizo.

Relative improvement in price differentials in the Marcellus areas led to reduced instances of market based curtailments (optional shut-ins) at Carrizo and also helped improve overall production during the quarter. Average combined daily production (gross at JV level) for all 3 JVs stood at 1,031 Mmscfed (including ~57,970 barrels of condensate) during the quarter. As at the end of 3Q FY14, cumulative number of producing wells stood at 611 compared to 382 wells as at the end of 3Q last year and 550 wells as at the end of the 2Q FY14.

Aggregate revenues for 3Q FY14 at $ 221.3 million reflect a growth of 29% Y-o-Y. Average unit realization was at $6.03/Mcfe in 3Q FY14 compared to $6.19/Mcfe realised in 2Q FY14 which reflects impact of weaker WTI prices and higher differentials. Efficiency gains were achieved in drilling operations across the 3 JVs. All the 3 JVs are focused on joint partner efforts on operational, cost and efficiency improvements; high graded development and prudent lease holding strategy to retain optionality.

REFINING & MARKETING BUSINESS

(In ₹ Crore)	3Q FY14	2Q FY14	3Q FY13	% Change wrt 2Q FY14	% Change wrt 3Q FY13	9M FY14	9M FY13	% Change wrt 9M FY13
Segment Revenue	**95,432**	**97,456**	86,641	(2.1%)	10.1%	274,346	255,902	7.2%
Segment EBIT	**3,141**	**3,174**	3,615	(1.0%)	(13.1%)	9,266	9,268	-
Crude Refined (Mn MT)	**17.0**	**17.7**	17.5			51.7	52.4	
GRM ($ / bbl)	**7.6**	**7.7**	9.6			7.8	9.0	
EBIT Margin (%)	**3.3%**	**3.3%**	4.2%			3.4%	3.6%	

9M FY14 revenue from the Refining and Marketing segment increased by 7.2% Y-o-Y to ₹ 274,346 crore, while EBIT was flat at ₹ 9,266 crore. RIL's Gross Refining Margin (GRM) for the nine months period was at $ 7.8 /bbl as against $ 9.0 /bbl in the corresponding period of the previous year. For 9M FY14, RIL Jamnagar refineries processed 51.7 MMT of crude, achieving an average utilization of 111%.

Total exports of refined products reached $ 30.2 billion for 9M FY14 period and accounted for 64% of aggregate refinery product volumes. Exports of refined products were 33.7 MMT in 9M FY14 as compared to 30.9 MMT during the same period last year.

During 3Q FY14, RIL Jamnagar refineries processed 17.0 MMT of crude, an operating rate of 110%, sequentially lower due to maintenance turnaround. With turnarounds, post the driving season, the third quarter utilizations in North America, Europe and Asia were 83.5%, 74.3% and 85.8% respectively.

During the quarter, revenue from Refining & Marketing segment increased by 10.1% to ₹ 95,432 crore ($ 15.4 billion) from ₹ 86,641 crore in 3Q FY13. Growth in revenue was accounted by 1% higher volume and 9.1% increase in prices.

EBIT was at ₹ 3,141 crore ($ 508 million) down 13.1% on Y-o-Y basis, and 1.0% on a sequential quarter basis. RIL's refining business maintained stable earnings on Q-o-Q basis despite lower

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volumes and decline in regional benchmark complex margins. RIL's margins were positively impacted by widening crude differentials, strength in middle-distillates and naphtha product cracks, which was offset by weak gasoline cracks.

Singapore complex margins on Q-o-Q basis were negatively impacted by lower gasoline and fuel oil cracks and unfavorable benchmark crude movement. Margins declined to $ 4.3/bbl, the lowest quarterly level in last 3 years. However, margins improved towards the end of the quarter led by light and middle-distillate cracks.

Asian gasoil cracks remained flat on Q-o-Q basis at $ 17.7/bbl. Gasoil cracks drifted lower in early part of the quarter due to lower demand from India and other Asian economies, but firmed up in December on winter heating requirements and reduced supply from North Asia. US gasoil cracks improved with winter heating demand and continued opportunities to place products into Europe and Latin American markets.

Gasoline cracks were down on Q-o-Q basis in the Asian markets, averaging $ 6.2/bbl as compared to $ 9.8/bbl in 2Q FY14. Gasoline cracks came under pressure due to reduced demand from Asian importers and new supply from Middle East. High refinery run rates and high inventory levels in the US pressured gasoline cracks post driving season. Europe continued to face lower demand for gasoline and falling exports to US and Latin America which led to fall in European gasoline cracks.

Asian naphtha cracks on a Q-o-Q basis firmed up to $ -3.0/bbl from $ -5.8/bbl, driven by petrochemical demand, prospects of tightening supply in next few months on account of refinery maintenance.

Arab light - Arab heavy crude differential widened by $ 0.85/bbl on Q-o-Q basis and averaged at $ 4.6/bbl, mainly on account of Libyan disturbances. Brent-Dubai differentials narrowed to $ 2.5/bbl from $ 4.1/bbl in the trailing quarter. This contributed to widening of RIL's premium over Singapore complex margins.

PETROCHEMICALS BUSINESS

(In ₹ Crore)	3Q FY14	2Q FY14	3Q FY13	% Change wrt 2Q FY14	% Change wrt 3Q FY13	9M FY14	9M FY13	% Change wrt 9M FY13
Segment Revenue	25,280	24,892	22,053	1.6%	14.6%	72,122	65,950	9.4%
Segment EBIT	2,124	2,504	1,937	(15.2%)	9.7%	6,516	5,433	20.0%
EBIT Margin (%)	8.4%	10.1%	8.8%			9.0%	8.2%	
Production (Million Tonnes)	5.6	5.7	5.5			16.6	16.6	

9M FY14 revenue from the Petrochemicals segment increased by 9.4% Y-o-Y to ₹ 72,122 crore ($ 11.7 billion). Higher prices accounted for 9.5% growth in revenue which was partly offset by the decrease in volumes of 0.1%. EBIT margin improved to 9.0% in 9M FY14 as compared to 8.2% a year ago.

RIL's 3QFY14 Petrochemical EBIT declined 15.2% Q-o-Q to ₹ 2,124 crore impacted by poor domestic demand for polymers and polyester, sequential decline in regional deltas for key products – PP, PVC and fibre intermediates.

Polymer & Cracker Business

During the quarter, domestic demand for polymer products was lower by 5% on Y-o-Y basis. This was primarily due to lower demand in key end-use sectors like infrastructure, fertilizer, automobile, pipes etc. However, for 9M FY14, India polymer demand was higher by 3%, driven by 5% growth in PP and 4% growth in PVC. PE demand remained flat on Y-o-Y basis.

Overall, PP demand was moderately higher as there was growth in some of the end-use packaging applications. However, PP demand was negatively affected by poor demand from cement packaging and automobile sector. In PVC market, pipe demand was flat due to extended monsoon and high inventory of finished goods. Overall PE demand was soft as end-use sector consumption was affected by slower growth in infrastructure, fertilizer sectors and roto-moulded products.

During the quarter, the polymer business saw a mixed-trend in terms of product margins in polyolefin products. PP deltas were lower on Q-o-Q and Y-o-Y basis as propylene prices rose sharply on account of lower supplies from Middle East region. On Q-o-Q basis, strength in PE deltas continued with stable demand and tight ethylene supply. PVC deltas were lower on Q-o-Q and Y-o-Y basis as feedstock EDC prices were impacted by rising ethylene prices. EDC prices were higher by 10% on Q-o-Q basis and 41% on Y-o-Y basis.

During 9M FY14, RIL's total polymer production was maintained at ~3.4 MMT.

Polyester Chain

During the quarter, domestic demand for polyester products remained flat on Y-o-Y basis. 9M FY14, domestic polyester demand grew by 4% on Y-o-Y basis, led by 5% growth in POY, 1% growth in PSF and 2% growth in PET. Demand remained slow and cautious due to difficult market conditions owing to volatile feedstock prices, currency rate fluctuations and liquidity crunch. PET demand was strong in 3Q FY14 as players replenished inventories for the oncoming summer season. Fully Drawn Yarn (FDY) markets, however, witnessed good growth amidst growing applications.

Feedstock prices remained highly volatile during the quarter. PX contract prices remained unsettled during the last two months of the quarter, which further led to uncertainty. PX deltas in 3Q FY14 were at $ 532/MT, a decline of 5% on Q-o-Q and 14% on Y-o-Y basis. Several PX capacity additions planned in 2013 have experienced delays and are now likely to come on stream in 2014. These delays are leading to uncertainty on supply and are keeping markets unsettled.

Similarly, uncertainties in the capacity growth in the PTA market have kept margins under pressure. PTA operating rates declined in 2013, and with further capacities expected in 2014, markets continue to be subdued.

Polyester prices witnessed smaller fluctuations compared to fibre intermediates. Weak intermediate prices during the quarter led to higher polyester margins. POY, PSF and PET deltas improved on Q-o-Q basis by 3%, 26% and 21% respectively.

9M FY14, production of fibre intermediates (PX, PTA and MEG) was around 3.6 MMT, stable over last year. 9M FY14, polyester (PFY, PSF and PET) production volume was at 1.2 MMT, slightly down amidst planned shutdowns.

RIL successfully commissioned state-of-the-art Polyester Filament Yarn (PFY) plant at Silvassa. This is the first plant to be commissioned in petrochemical expansions announced earlier. The total polyester capacity of Reliance increases from 2.4 MMTPA to 2.8 MMTPA.

This plant will be the first “Zero-waste” plant globally from day one on account of total waste recycling. The plant is also equipped with zero liquid discharge through evaporation of treated effluents.

Chemicals

Butadiene (BD) prices in the Asian region remained pressurized towards the end of the quarter owing to surplus supplies and weak demand from downstream customers (especially SBR). Likely start-up of new BD units (almost 270 KTA) in China may further add to this pressure.

Despite difficult business environment, RIL was able to improve its LAB market share by maintaining high operating rate. RIL’s LAB third quarter domestic market share stood at 30%, higher than last year’s 25%.

Elastomers

PBR price improved in 3Q FY14 compared to 2Q FY14, but still remain on the lower side due to weak market conditions.

Domestic demand for PBR in 3Q FY14 increased by 7% on Y-o-Y basis, mainly on account of growth in the replacement market. RIL share remain at 41% in the domestic market due to higher imports.

ORGANIZED RETAIL

Reliance Retail continued its growth momentum in the third quarter of the current financial year despite challenging macroeconomic environment. The company registered a growth of 38% in turnover over the same quarter last year. Revenues grew to ₹ 3,927 crore in the third quarter compared to ₹ 2,839 crore during the same period in the previous year. For the nine months ended December 2013, the retail business achieved a turnover of ₹ 10,857 crore as against ₹ 7,749 crore in the corresponding period of the previous year, a growth of 40%. Retail business achieved PBDIT of ₹ 271 crore for 9M FY14 and ₹ 106 crore for 3Q FY14.

Aided by increased shopping activities during the festive season and several initiatives undertaken to drive value and offerings, the business recorded a LFL growth of up to 21% across various format sectors.

Value Formats sustained the growth momentum to maintain leadership position in the grocery retail business while Reliance Market, the cash and carry format continued its rapid geographical expansion. Reliance Market is built on the principle of offering inclusive growth and partners with the trading and business community like kirana, traders, institutions etc to provide them an alternative channel for products. Reliance Market continued its journey towards empowering its partner members and in the process crossed a significant milestone of 1 million registered members.

Echoing consumer sentiments, Reliance Retail discontinued its non-vegetarian food retail format, ‘Delight’, during the quarter.

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The Fashion and Lifestyle sector delivered accelerated performance in the quarter fuelled by its focus on providing customers with fashionable, high quality products at great value. Reliance Trends enriched its in-house brand portfolio to deliver a distinctive range of products for the fashion conscious customers by improving its design capabilities and offering a captivating store experience.

The JV with Marks & Spencer continued its growth journey during this period. Marks and Spencer reaffirmed its focus on Indian market and set out a vision to build leadership position in Indian market. During the quarter, the JV opened its largest standalone flagship store in India and at the same time unveiled its world-first new-look Marks & Spencer Lingerie & Beauty department.

Reliance Retail continued to make revered international brands available to the Indian consumers and announced an exclusive Pan India franchise arrangement with Payless ShoeSource, the largest specialty family footwear retailer in the Western Hemisphere.

Digital sector continued its expansion drive and achieved a distinction of crossing 200 stores. To delight customers at every touch point, Reliance Digital has been focusing on introducing innovative merchandise and experiential concepts within its stores.

Given the macro environment challenges in the jewellery sector, Reliance Jewels focused on consolidating the operations of its existing stores to improve performance against various operational parameters that would result in building a robust platform for growth in the coming years.

The company enhanced its presence in the current quarter and expanded rapidly across various format sectors by opening more than one store a day. As on 31st December 2013, Reliance Retail operated 1,577 stores across 141 cities.

BROADBAND ACCESS

RIL's subsidiary, Reliance Jio Infocomm Limited ("RJIL"), which is the only private player with Broadband Wireless Access spectrum in all the 22 telecom circles of India, plans to provide reliable fast internet connectivity and rich digital services on a pan India basis.

In addition to fixed and wireless broadband connectivity, RJIL also plans to enable end-to-end solutions that address the entire value chain across various digital services in key domains of national interest such as education, healthcare, security, financial services, government-citizen interfaces and entertainment. RJIL aims to comprehensively address the requisite components of the customer need, thereby fundamentally enhancing the opportunity and experience of hundreds of millions of Indian citizens and organizations.

In the past year, RJIL has announced key definitive agreements with Reliance Communications (RCOM) for inter-city optic fibre sharing, for sharing of up to 45,000 of RCOM's nationwide telecom towers, and for joint working arrangements to configure the scope of additional towers to be built at new locations.

RJIL also announced a key agreement for international data connectivity with Bharti to utilize dedicated fiber pair on Bharti's i2i submarine cable that connects India and Singapore.

RJIL has been awarded with a Facility Based Operator License ("FBO License") in Singapore which will allow RJIPL to buy, operate and sell undersea and/or terrestrial fibre connectivity, setup its internet point of presence, offer internet transit and peering services as well as data and voice roaming services in Singapore.

RJIL has been granted Unified License for all 22 Service Areas across India by the Department of Telecom (DoT) to become the first telecom operator in the country to get pan India Unified License. The Unified License would allow RJIL to offer all telecom services including voice telephony under a single license.

RJIL was allotted MSC, MCC & MNC codes for Mobile Access Services across all 22 circles by the DoT providing it with about 22 million mobile phone numbers across India to provide mobile access services.

RJIL and Bharti Airtel Limited announced a comprehensive telecom infrastructure sharing arrangement under which they will share infrastructure created by both parties to avoid duplication of infrastructure, wherever possible, and to preserve capital and the environment.

(All $ numbers are in US$)

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Media Release

Reliance Industries Limited

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31st DECEMBER 2013

(₹ in crore, except per share data)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31 Dec'13	30 Sep'13	31 Dec'12	31 Dec'13	31 Dec'12	31 Mar'13 (Audited)
1	**Income from Operations**						
	(a) Net Sales/Income from operations (Net of excise duty and service tax)	103,521	103,758	93,886	294,924	276,098	360,297
	Total income from operations (net)	**103,521**	**103,758**	**93,886**	**294,924**	**276,098**	**360,297**
2	**Expenses**						
	(a) Cost of materials consumed	86,124	88,365	78,170	248,218	235,145	306,127
	(b) Purchase of stock-in- trade	3	116	63	511	280	502
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,579	(185)	770	1,648	(2,028)	(3,317)
	(d) Employee benefits expense	715	808	863	2,422	2,562	3,354
	(e) Depreciation and amortization expense	2,143	2,233	2,457	6,514	7,226	9,465
	(f) Other expenses	6,478	6,805	5,647	19,579	17,177	22,844
	Total Expenses	**98,042**	**98,142**	**87,970**	**278,892**	**260,362**	**338,975**
3	**Profit from operations before other income, finance costs**	**5,479**	**5,616**	**5,916**	**16,032**	**15,736**	**21,322**
4	Other Income	2,305	2,060	1,740	6,900	5,755	7,998
5	**Profit from ordinary activities before finance costs**	**7,784**	**7,676**	**7,656**	**22,932**	**21,491**	**29,320**
6	Finance costs	792	805	806	2,407	2,327	3,036
7	**Profit from ordinary activities before tax**	**6,992**	**6,871**	**6,850**	**20,525**	**19,164**	**26,284**
8	Tax expense	1,481	1,381	1,348	4,172	3,750	5,281
9	**Net Profit for the Period**	**5,511**	**5,490**	**5,502**	**16,353**	**15,414**	**21,003**
10	Paid up Equity Share Capital, Equity Shares of ₹ 10/- each.	3,231	3,231	3,228	3,231	3,228	3,229
11	Reserves excluding revaluation reserves						1,75,711
12	Earnings per share (Face value of ₹ 10)						
	(a) Basic	17.1	17.0	17.0	50.6	47.5	64.8
	(b) Diluted	17.1	17.0	17.0	50.6	47.5	64.8
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding (including GDR holders)						
	- Number of Shares (in crore)	176.73	176.67	176.46	176.73	176.46	176.47
	- Percentage of Shareholding (%)	54.69	54.69	54.66	54.69	54.66	54.66
2	Promoters and Promoter Group shareholding						
	a) Pledged / Encumbered						
	- Number of shares (in crore)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter Group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b) Non - Encumbered						
	- Number of shares (in crore)	146.39	146.39	146.39	146.39	146.39	146.39
	- Percentage of shares (as a % of the total shareholding of Promoters and Promoter Group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	45.31	45.31	45.34	45.31	45.34	45.34

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Notes:

1. The figures for the previous period/ year have been restated/regrouped wherever necessary, to make them comparable.

2. The Company had revalued the plants, equipments and buildings situated at Patalganga, Hazira, Naroda, Jamnagar, Gandhar and Nagothane in the earlier years. Consequent to the revaluation, there is an additional charge for depreciation of ₹ 1,390 crore for the nine month ended 31st December 2013 which has been withdrawn from Reserves.

3. The Government of India, by its letters dated 2nd May 2012 and 14th November 2013 has communicated that it proposes to disallow certain costs which the Production Sharing Contract (PSC), relating to Block KG-DWN-98/3, entitles the Company to recover. The Company continues to maintain that a Contractor is entitled to recover all of its costs under the terms of the PSC and there are no provisions that entitle the Government to disallow the recovery of any Contract Cost as defined in the PSC. The Company has already initiated arbitration proceeding on the above issue.

4. There were no investors' complaints pending as on 1st October, 2013. During the quarter 888 complaints were received. All complaints were resolved and no complaints were outstanding as on 31st December 2013.

5. The Audit Committee has reviewed the above results and the Board of Directors have approved the above results and its release at their respective meetings held on 17th January 2014. The statutory auditors of the Company have carried out a Limited Review of the aforesaid results.

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UNAUDITED STANDALONE SEGMENT INFORMATION FOR THE QUARTER / NINE MONTHS ENDED 31st DECEMBER 2013

₹ in Crore

Sr. No.		Quarter Ended			Nine Months Ended		Year Ended
		31 Dec'13	30 Sep'13	31 Dec'12	31 Dec'13	31 Dec'12	31 Mar'13 (Audited)
1.	**Segment Revenue**						
	- Petrochemicals	25,280	24,892	22,053	72,122	65,950	88,108
	- Refining	95,432	97,456	86,641	274,346	255,902	333,774
	- Oil and Gas	1,733	1,464	1,921	4,651	6,683	8,280
	- Others	209	330	176	1,155	594	953
	Gross Turnover (Turnover and Inter Segment Transfers)	**122,654**	**124,142**	**110,791**	**352,274**	**329,129**	**431,115**
	Less: Inter Segment Transfers	16,271	17,619	14,484	48,779	44,629	59,996
	Turnover	**106,383**	**106,523**	**96,307**	**303,495**	**284,500**	**371,119**
	Less: Excise Duty / Service Tax Recovered	2,862	2,765	2,421	8,571	8,402	10,822
	Net Turnover	**103,521**	**103,758**	**93,886**	**294,924**	**276,098**	**360,297**
2.	**Segment Results**						
	- Petrochemicals	2,124	2,504	1,937	6,516	5,433	7,328
	- Refining	3,141	3,174	3,615	9,266	9,268	12,788
	- Oil and Gas	540	356	590	1,248	2,427	2,887
	- Others	94	42	77	220	207	255
	Total Segment Profit before Interest and Tax	**5,899**	**6,076**	**6,219**	**17,250**	**17,335**	**23,258**
	(i) Interest Expense	(792)	(805)	(806)	(2,407)	(2,327)	(3,036)
	(ii) Interest Income	1,847	1,551	1,605	5,026	4,266	6,245
	(iii) Other Un-allocable Income (Net of Expenditure)	38	49	(168)	656	(110)	(183)
	Profit before Tax	**6,992**	**6,871**	**6,850**	**20,525**	**19,164**	**26,284**
	(i) Provision for Current Tax	(1,459)	(1,436)	(1,369)	(4,286)	(3,829)	(5,244)
	(ii) Provision for Deferred Tax	(22)	55	21	114	79	(37)
	Profit after Tax	**5,511**	**5,490**	**5,502**	**16,353**	**15,414**	**21,003**
3.	**Capital Employed (Segment Assets – Segment Liabilities)**						
	- Petrochemicals	44,910	42,696	35,830	44,910	35,830	38,816
	- Refining	54,828	61,563	65,820	54,828	65,820	66,811
	- Oil and Gas	29,888	29,526	27,298	29,888	27,298	25,167
	- Others	33,799	27,463	18,011	33,799	18,011	22,201
	- Unallocated	125,124	124,845	115,383	125,124	115,383	114,737
	Total Capital Employed	**288,549**	**286,093**	**262,342**	**288,549**	**262,342**	**267,732**

Notes to Segment Information (Standalone) for the Quarter/Nine Months Ended 31st December 2013

1. As per Accounting Standard 17 on 'Segment Reporting' (AS 17), the Company has reported 'Segment Information', as described below:

   a) The **petrochemicals** segment includes production and marketing operations of petrochemical products namely, High density Polyethylene, Low density Polyethylene, Linear Low density Polyethylene, Polypropylene, Polyvinyl Chloride, Polyester Yarn, Polyester Fibres, Purified Terephthalic Acid, Paraxylene, Ethylene Glycol, Olefins, Aromatics, Linear Alkyl Benzene, Butadiene, Acrylonitrile, Poly Butadiene Rubber, Caustic Soda and Polyethylene Terephthalate.

   b) The **refining** segment includes production and marketing operations of the petroleum products.

   c) The **oil and gas** segment includes exploration, development and production of crude oil and natural gas.

   d) The smaller business segments not separately reportable have been grouped under the **'others'** segment.

   e) Capital employed on other investments / assets and income from the same are considered under 'unallocable'.

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