Reliance Industries Limited

Growth is Life

1Q FY 2010-11 Results

Analyst Presentation

July 27, 2010

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 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.

1Q FY11 Accomplishments

- Jamnagar refined 16.89 million tonnes of crude oil achieving an operating rate of 109%
- Production from KG-D6 averaged at 60 MMSCMD of natural gas and 26,700 BOPD of crude oil
- Completion of 2 shale gas transactions in USA:
  - 40% JV with Atlas Energy in Marcellus region adds 5.3 TCFe of gas resource net to Reliance
  - 45% JV with Pioneer Natural Resource in Eagle Ford region adds 4.5 TCFe of gas and liquids resources net to Reliance
- 4 additional oil discoveries in Cambay Block CB-ONN-2003/1
- The Supreme Court of India delivered its verdict on the RIL-RNRL dispute
- RIL announced its entry in to high-growth opportunities in BWA and the power business in India

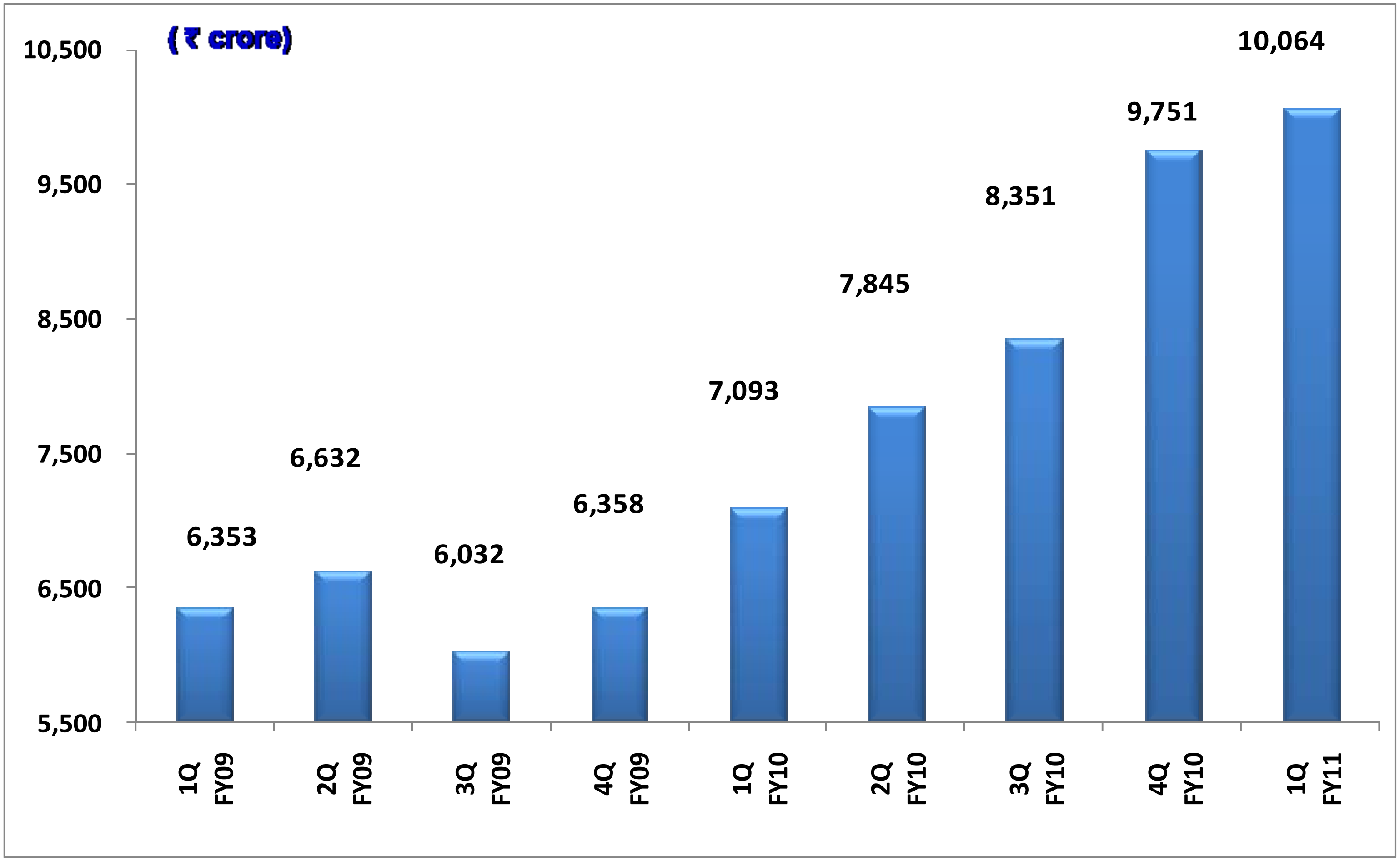
Financial Results

Financial Results – 1Q FY11

4Q FY10	(in ₹ Crore)	1Q FY11	1Q FY10	% Change
60,267	Turnover	**61,007**	32,441	88.1%
9,751	PBDIT	**10,064**	7,093	41.9%
16.2%	PBDIT Margin	**16.5%**	21.9%	
4,710	Net Profit	**4,851**	3,666	32.3%
14.4	EPS (₹)	**14.8**	11.2	

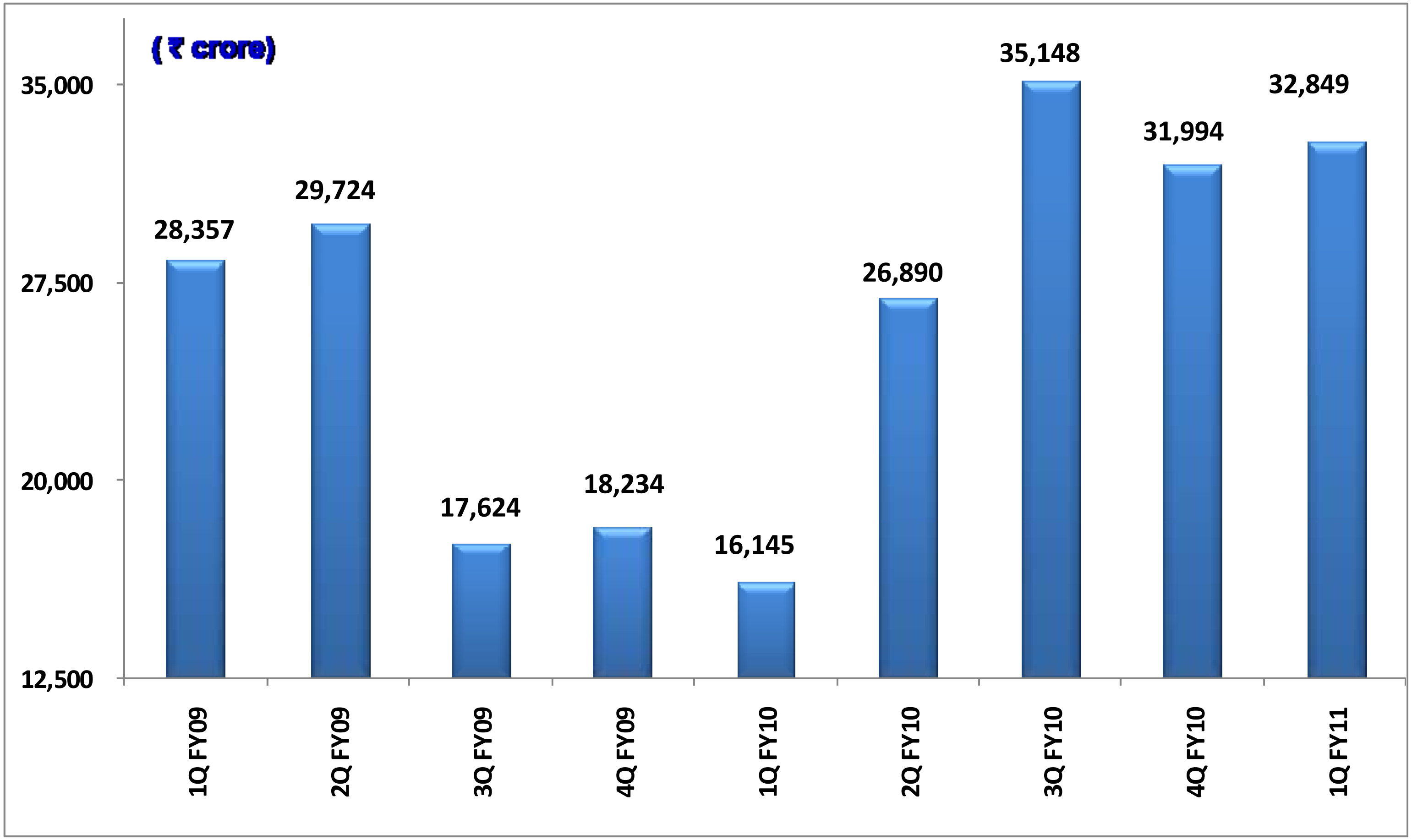
- Revenue growth due to 48% increase in volumes and 40% increase in prices
- PBDIT margin is lower due to high proportion of refining sales and base effect
- Margin improvement on a sequential basis

EBITDA Trend



Record quarterly EBITDA, up 42% on a Y-o-Y basis

Export Trend



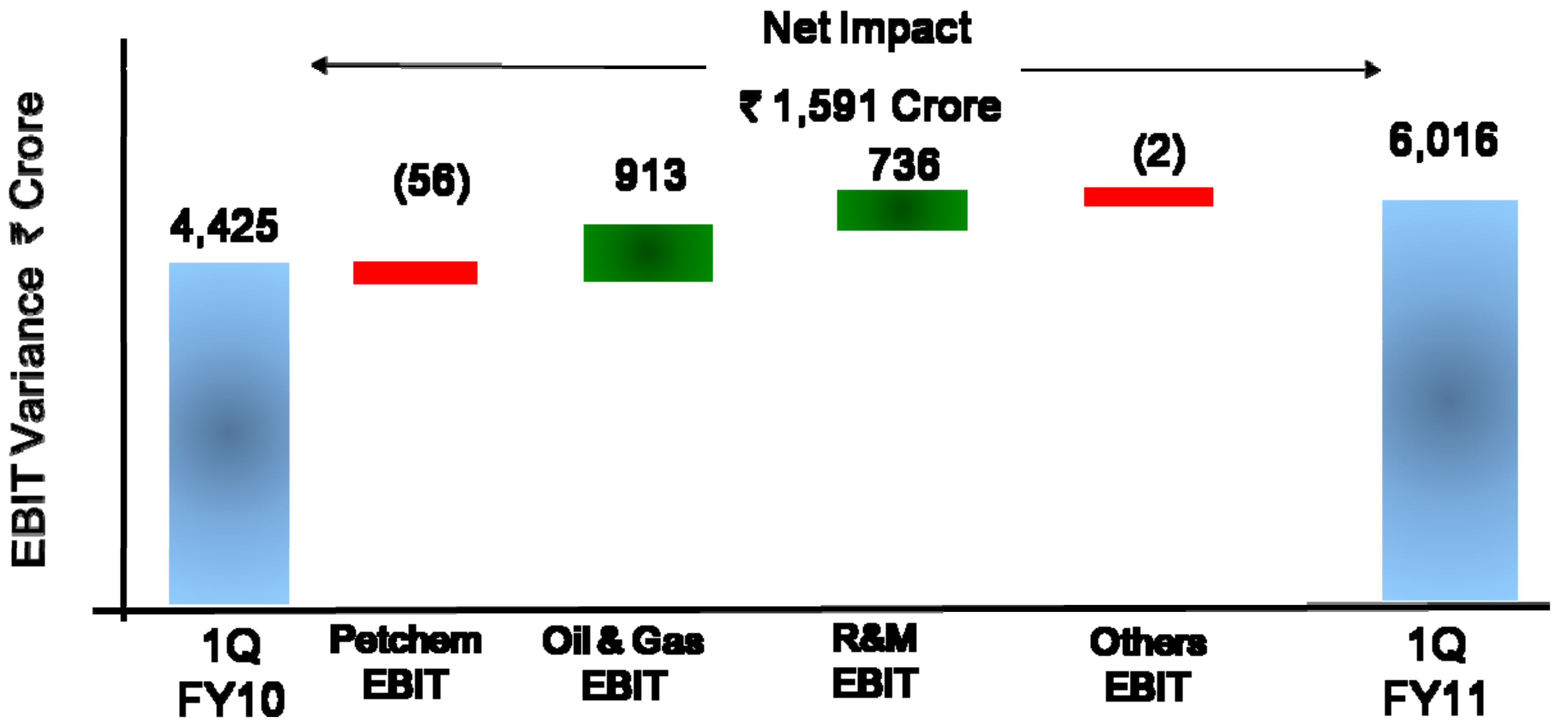
Exports form substantial part of revenues and are up 104% Y-o-Y

Segment Results – 1Q FY11

4Q FY10	(in ₹ Crore)	1Q FY11	1Q FY10	% change
	Oil & Gas			
4,318	Revenues	4,665	1,864	150.3%
1,702	EBIT	1,921	1,008	90.6%
39.4%	EBIT (%)	41.2%	54.1%	
	Refining & Marketing			
51,250	Revenues	50,531	24,434	106.8%
1,986	EBIT	2,035	1,299	56.7%
3.9%	EBIT (%)	4.0%	5.3%	
	Petrochemicals			
15,448	Revenues	13,903	11,707	18.8%
2,222	EBIT	2,053	2,109	-2.6%
14.4%	EBIT (%)	14.8%	18.0%	

- O & G: Y-o-Y higher EBIT due to higher production from KG-D6; sequential margin improvement due to higher production of crude oil
- Refining: Y-o-Y GRM increased from \$ 6.8/bbl to \$ 7.3/bbl
- Petrochemicals: Y-o-Y lower margin due to higher proportion of PP; sequential margins improve due to polyester and PP

Segment EBIT Bridge – 1Q FY11 Vs 1Q FY10



- EBIT growth validates integrated business model
- New capacity in refining and upstream leads growth in EBIT

Net Profit Bridge – 1Q FY11 Vs 1Q FY10

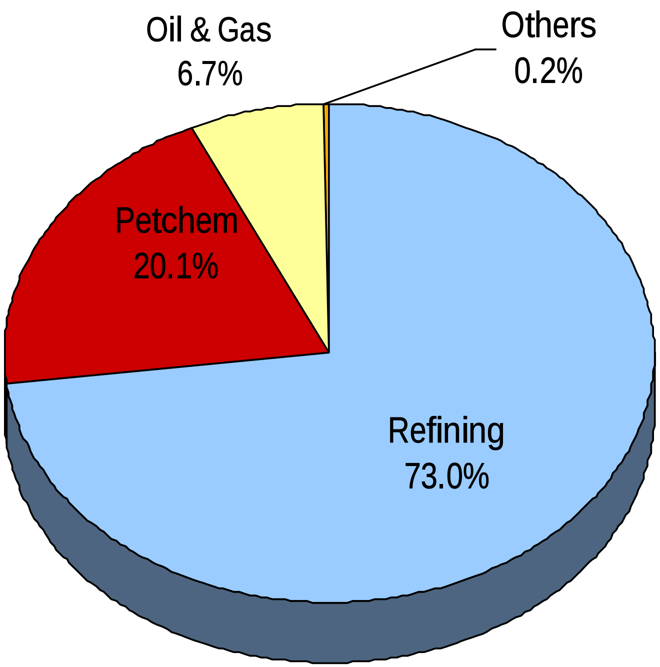
	(₹ crore)
Net Profit 1Q FY10	**3,666**
Operating Profit	2,958
Other Income	13
Interest	(81)
Depreciation	(1,607)
Tax	(98)
Net Profit 1Q FY11	**4,851**

Net Profit up by ₹ 1,185 crore compared to previous year

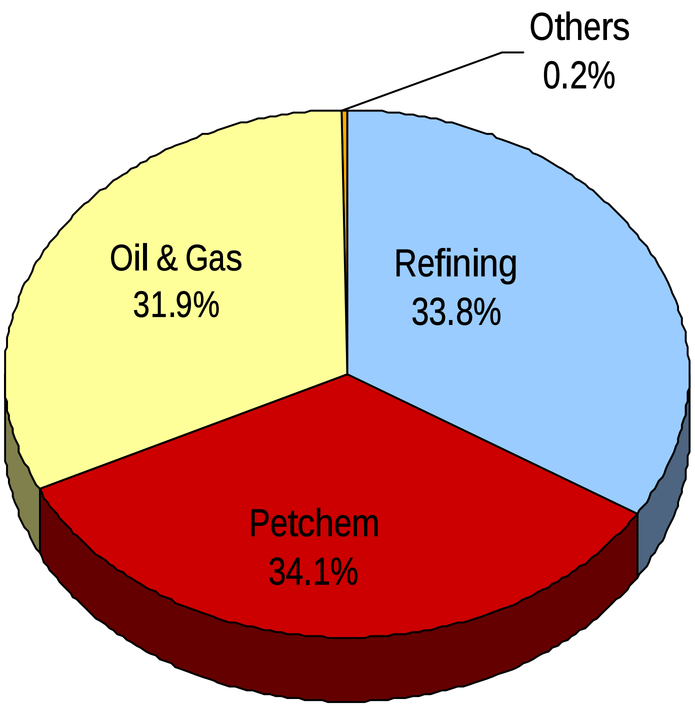
- Net Profit higher entirely due to higher operating profit
- Higher depreciation (Oil & Gas and Refinery), interest (lower capitalization) and higher MAT provision partly offsets growth in operating profit

Business Mix – 1Q FY11

Revenues



EBIT



Balanced earnings mix from all three segments

Financial Ratios

Ratios	Jun'10	Mar'10
Net Debt : Equity	0.35	0.30
Net Gearing	24.2%	22.0%
Gross Interest Cover	15.6	11.2
ROCE (%)	12.1	13.8
ROE (%) (Adjusted)	15.5	16.2

- Strong financials with a conservative balance sheet
- Ratings reaffirmed S&P : BBB; Moodys : Baa2 and CRISIL / FITCH : AAA
- Fitch upgraded LC IDR rating from “BBB-” to “BBB”

Oil and Gas – Exploration and Production

E & P Business Highlights

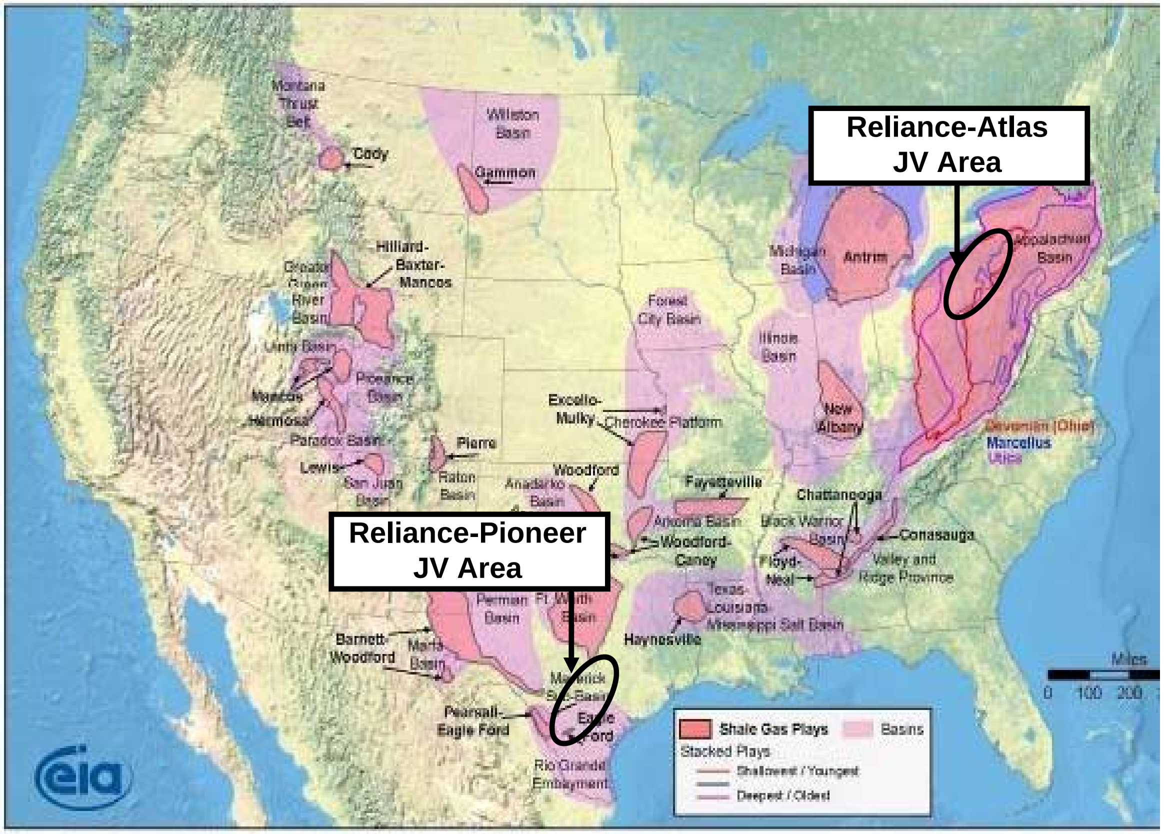
- Reliance entered into a JV with Atlas Energy to develop 300,000 acres in the Marcellus shale unconventional gas basin
  - Reliance acquired 40% interest (120,000 net acres) in Atlas's Marcellus position for $1.70 billion. In addition, Reliance will invest $4.4 billion to fund its share of the development plan over 10 years
- Reliance also entered into a JV with Pioneer Natural Resources to develop 263,000 acres in the Eagle Ford Shale acreage
  - Reliance acquired 45% interest (118,000 net acres) for $1.315 billion. Reliance will invest $4 billion to fund its share of the development plan over ten years
  - Reliance to also participate in midstream development with 49.9% holding
  - $ 46 million paid as equity contribution to the midstream JV
- 7 exploration wells drilled
  - 1 Appraisal well each in NEC25 & KGD6 and
  - 1 Exploratory well in CYD5
  - 4 on-land wells in Block CB10
- 4 oil discoveries notified in CB10. Commerciality being ascertained

Shale Gas – Exciting Resource Opportunity

U.S. shale development

- New drilling techniques transform the U.S. natural gas industry
- Shale plays estimated to contain more than 650 TCF of natural gas [(1)]
- New shale plays continue to emerge
- Gas shale plays are among the most economic natural gas basins in U.S.

U.S. shale development



Source: Energy Information Administration based on data from various published studies
Updated: May 28, 2009

[1] DOE Modern Shale Gas Report.

RIL – Atlas : JV Transaction Highlights

- Reliance enters into a JV with Atlas Energy to develop 300,000 acres in the Marcellus shale unconventional gas basin
- Reliance has acquired 40% interest (120,000 net acres) in Atlas's Marcellus position for $1.70 billion
  - In addition to the purchase price, Reliance will invest approximately $4.4 billion to fund its share of the development plan over ten years
- The acreage is located primarily in the core area of the Marcellus shale in southwestern Pennsylvania
  - Atlas and Reliance believe this acreage position will support more than 3,000 well locations and contains 13.3 TCFe of natural gas resources (5.3 TCFe net to Reliance)
- Atlas and Reliance plan to expand the acreage position by acquiring acreage in the region
  - Reliance will have a right of first offer with respect to Atlas' additional Appalachian acres currently controlled by Atlas (280,000 acres)

JV with Atlas Energy to create a meaningful position in Marcellus shale gas

RIL – Pioneer : JV Transaction Highlights

- Reliance enters into a JV with Pioneer Natural Resources to develop 263,000 acres in the Eagle Ford Shale acreage
- Reliance has acquired 45% interest (118,000 net acres) in Pioneer's Eagle Ford position for $1.315 billion
  - In addition to the purchase price, Reliance will invest approximately $4 billion to fund its share of the development plan over ten years
- The acreage is located primarily in the core area of the Eagle Ford shale in South Texas
  - Pioneer and Reliance believe this acreage position will support more than 1,750 well locations and contains 10 TCFe of resources (4.5 TCFe net to Reliance)
- Pioneer and Reliance have formed a midstream JV that will service the gathering needs of the upstream JV

JV with Pioneer to create a meaningful position in Eagle Ford shale gas

Reliance - Strategic Rationale

- Significant new value creation platform for Reliance - potential acquisition of 9.8 TCFe of gas resources
- Participation in the fast growing resource base of shale gas in North America
- Partnerships with experienced and successful operators
- Leveraging existing development expertise and risk appetite
- Among the highest return upstream opportunities globally
- Opportunity to grow into one of the leading participants in Marcellus and Eagle Ford
- Platform to develop operator experience and build an upstream business in North America

Recent transactions to provide Reliance with exposure to the expanding natural gas shale play

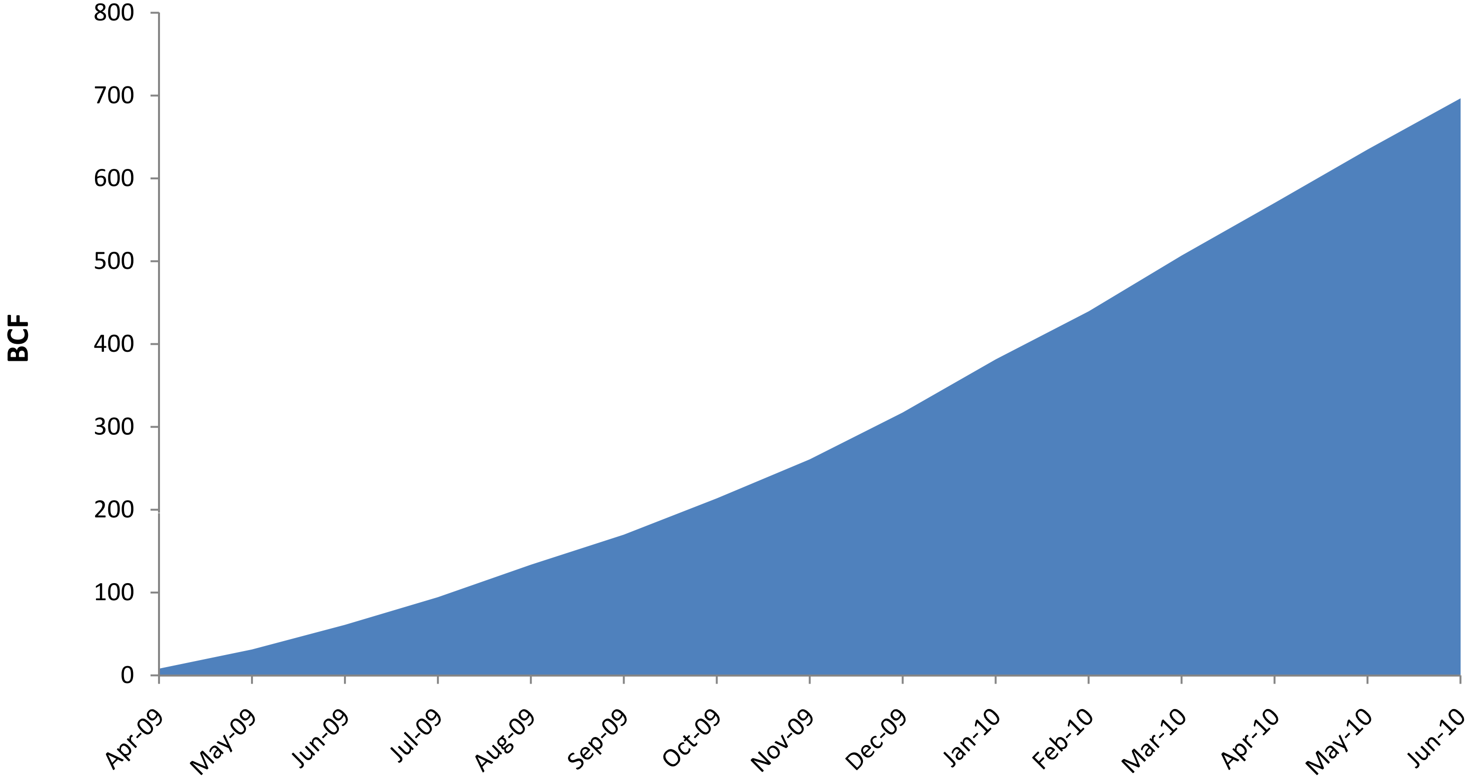
1Q FY11 Production Update

4Q FY10	Block	1Q FY10	1Q FY11	% Change
	Panna-Mukta			
445	Oil	452	403	-10.8%
532	Gas	470	502	6.8%
	Tapti			
46	Condensate	51	42	-17.6%
780	Gas	834	785	-5.9%
	KG-D6			
170	Oil	99	304	207.1%
5,365	Gas	1,733	5,376	210.2%
-	Condensate	-	13	-

Note: Full Production volumes; * Production Less Re injected Gas and Flare Gas
Units: Oil ('000 MT), Gas (MMSCM)

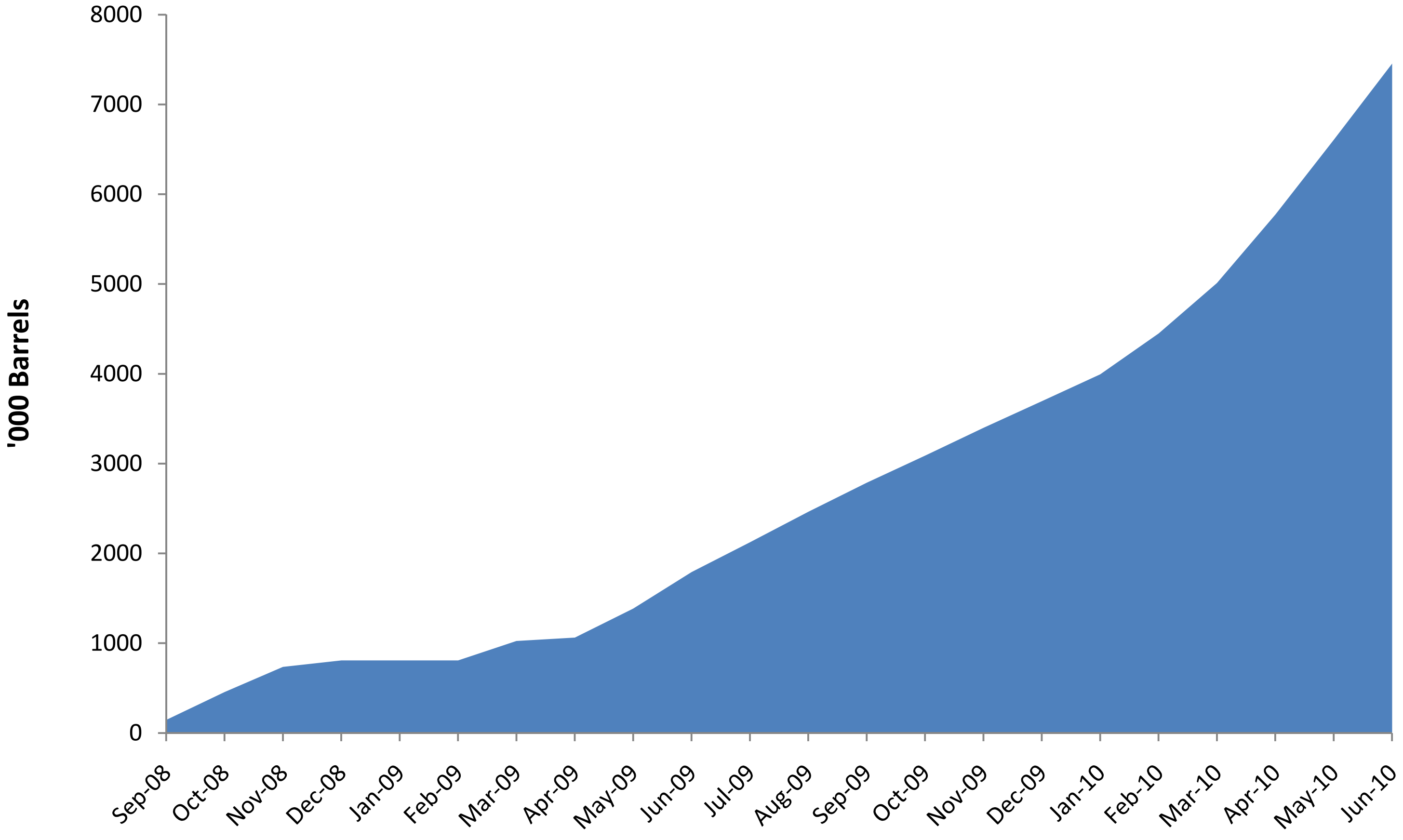
- Average gas production from KG-D6 was 60 MMSCMD; up 215% Y-o-Y
- Significant increase in oil production from KG-D6, averaged at 26,700 BOPD
- Gas price of $ 4.20/MMBTU & $ 5.73/MMBTU for KG-D6 and PMT respectively

KGD6 – Gas Production



From start of production till Jun 2010 produced ~ 700 BCF of gas

KGD6 – Oil Production



Till Jun 2010 produced ~ 7.5 Million Barrels of Oil

Refining & Marketing

R & M Business Environment

- Global oil demand improves in last quarter; strong non-OECD demand growth makes up for fall in OECD demand – however supplies constantly exceed demand leading to a build up in stocks
- Refinery utilization improvement dominated by North America – driven by ramp-up post the maintenance season and improved margins in gasoline
- Contra-seasonal surge in gasoil cracks also supported refining margins
- Asian demand for ATF resulted in strong product cracks – this was despite the European air traffic crisis
- India moved to higher fuel prices – robust economic conditions lead to double-digit growth in demand for transportation fuels

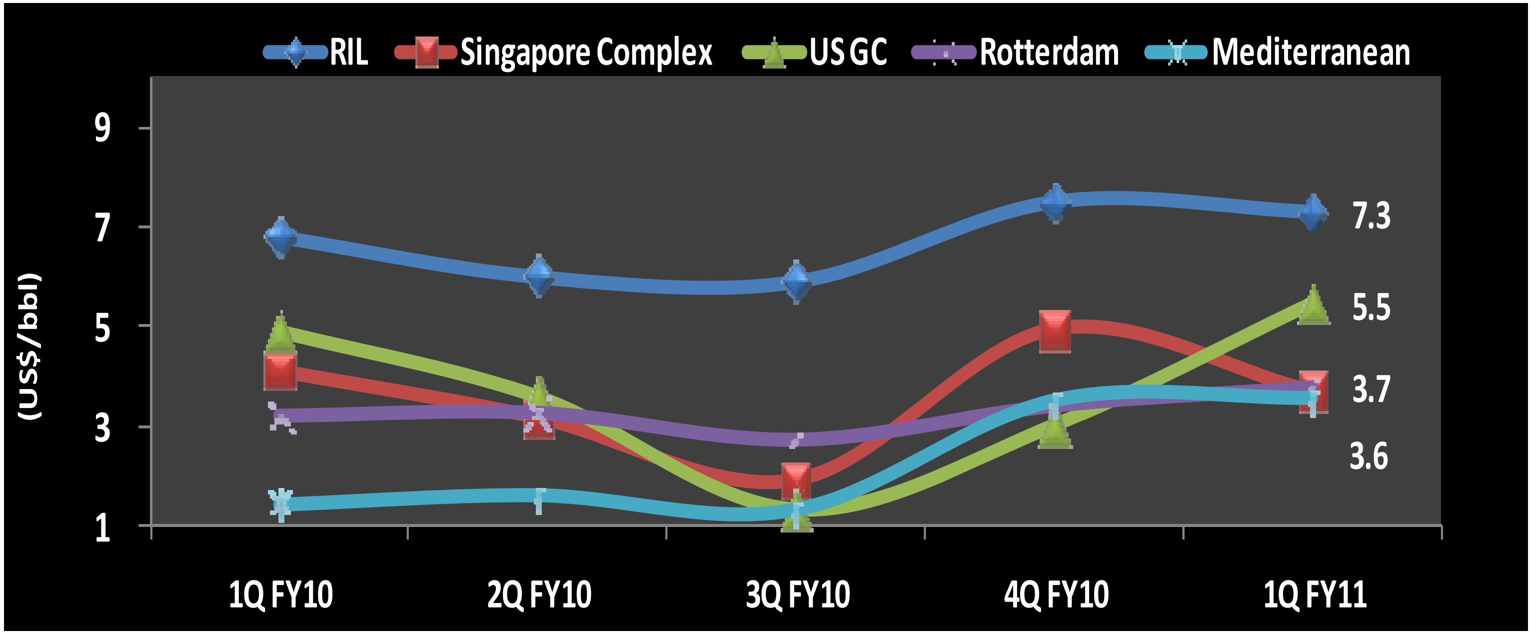
Improved demand over renewed optimism of economic recovery

RIL Business Highlights

- GRM of $ 7.3 /bbl for the quarter, outperforming regional benchmarks
- 16.89 million tonnes of crude oil refined during the quarter – highest ever
- RIL's operating rate of 109% was significantly higher than global averages
- Export volumes were at 9.5 million tonnes and account for revenue of US$ 6.3 billion
- Domestic sales, including captive consumption accounted for 42%
- Over 660 retail outlets operational mainly in Western and Southern India

Record processing of crude oil at Jamnagar

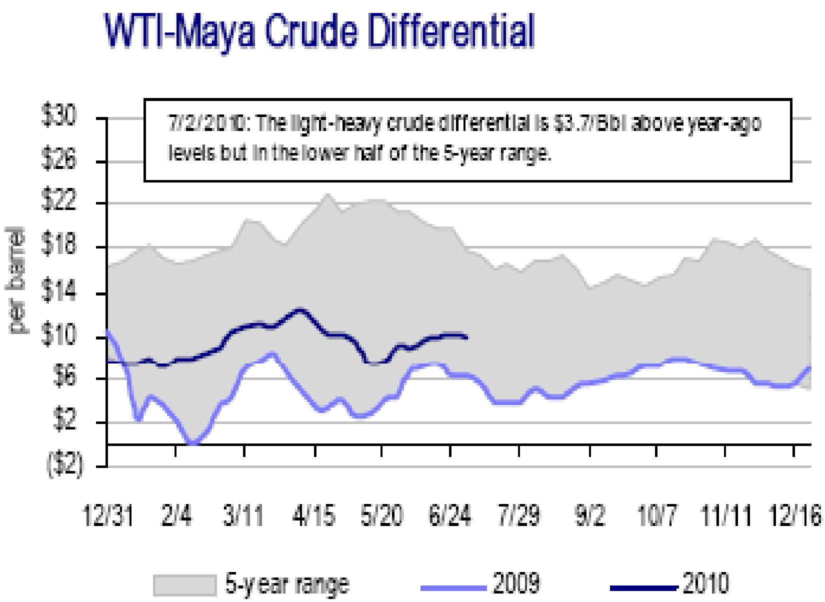
Margin Benchmarking

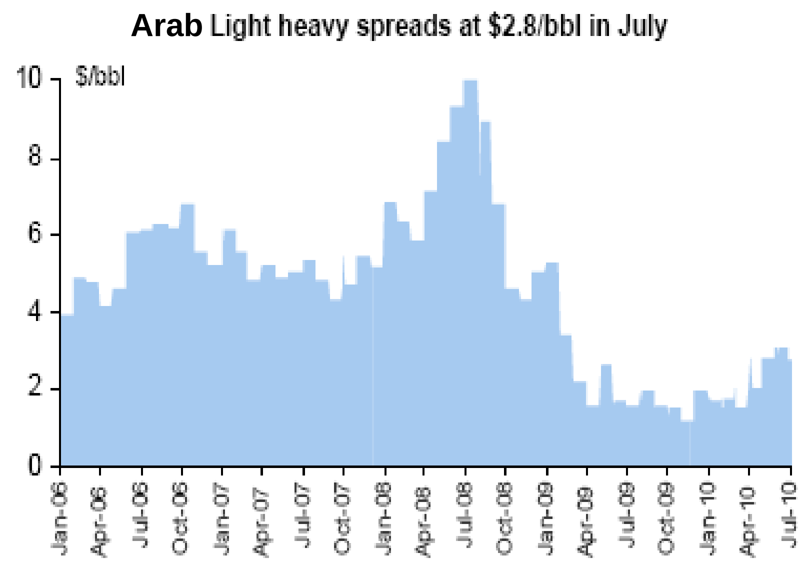


Source: Reuters

- Margin improvement in US/EU as cracks improve for all major products
- RIL's widening outperformance to Singapore complex as light-heavy differentials widened and domestic realization improved
- Singapore margins impacted as reduction in gasoline and fuel oil cracks outweighed gains in distillate; and crude from Dubai traded at higher level than WTI/Brent for the quarter

Light – Heavy Differentials

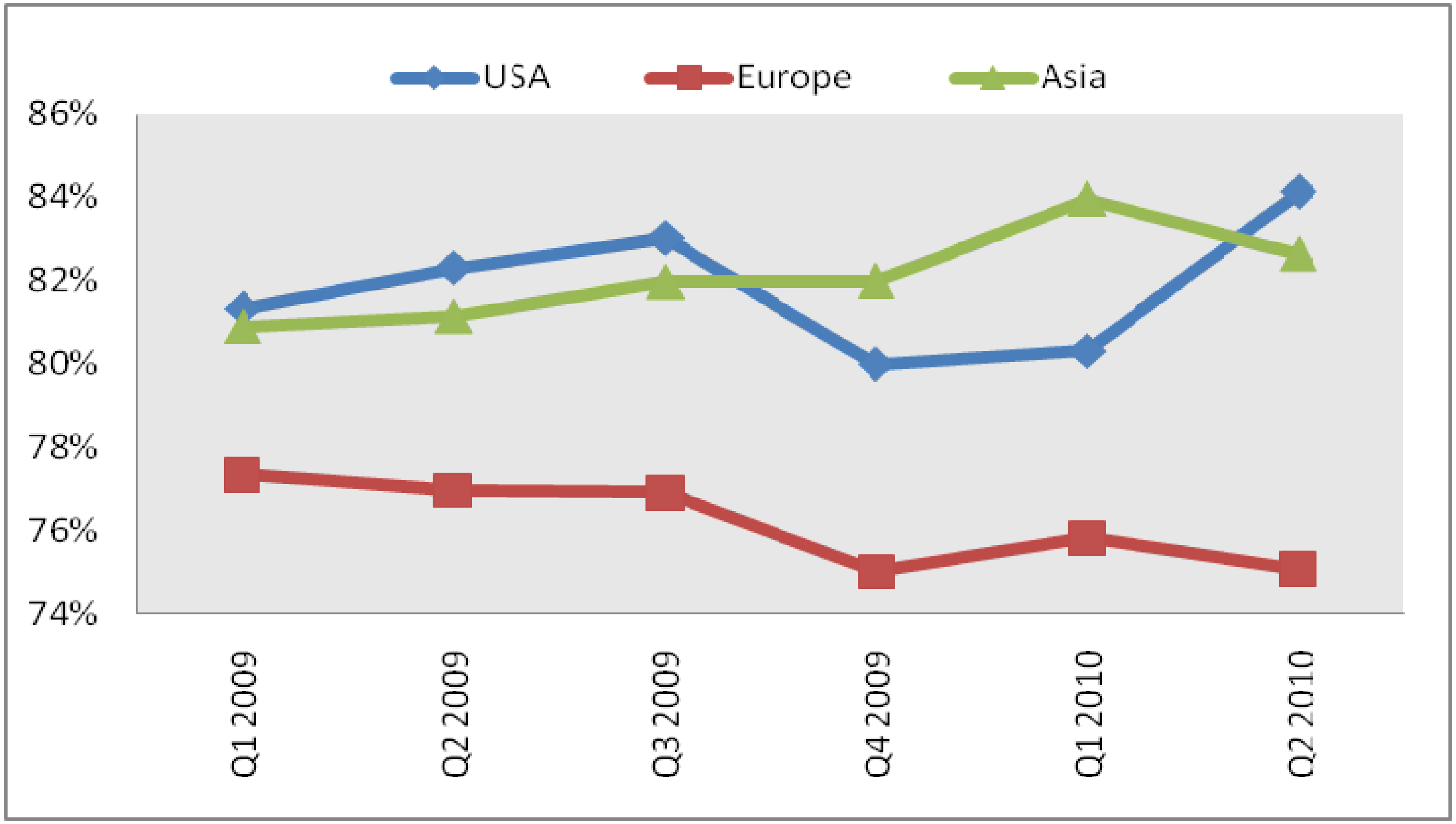




- Widening of L-H differentials continued in 1Q FY11 as OPEC compliance remained low at around 50%
- Higher refining utilization as refiners came out of spring maintenance, weaker FO cracks in key markets and stronger light product cracks resulting in relatively higher demand for light crudes

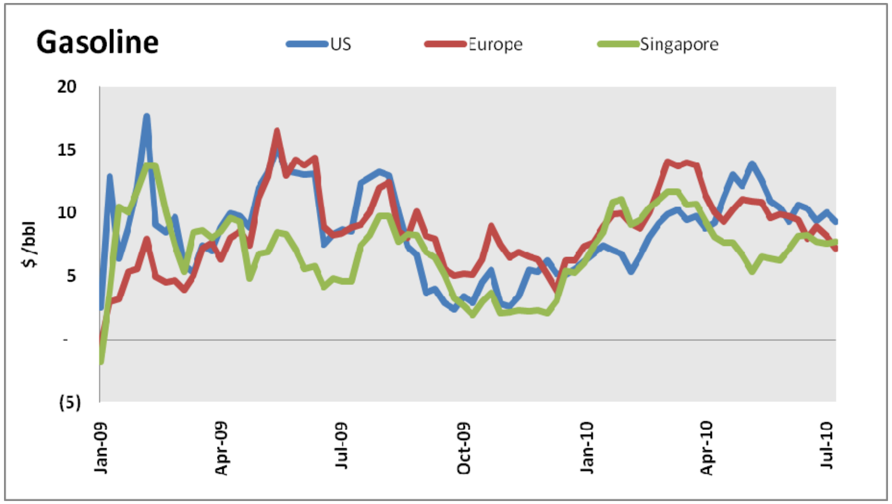
Complex refiners benefited by widening L - H differentials

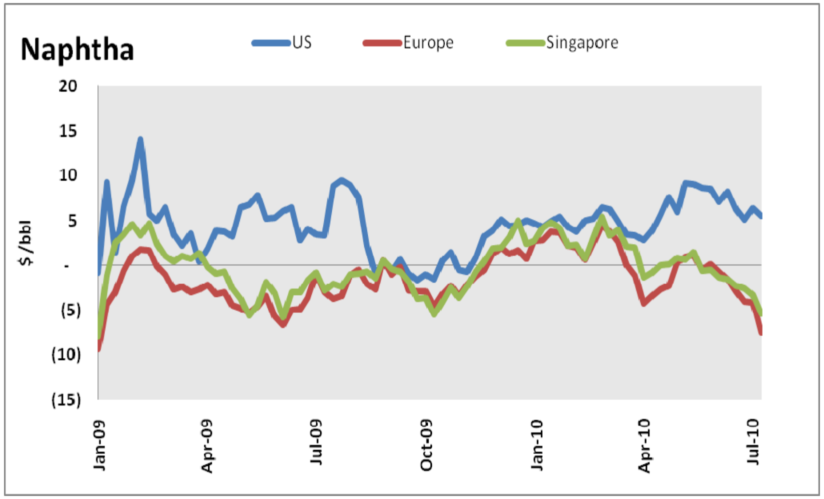
Refinery Operating Rates

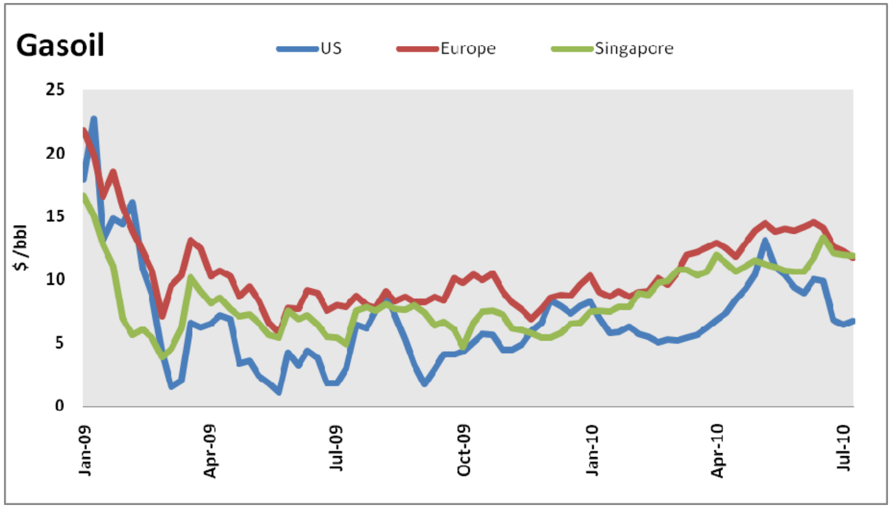


Seasonal shutdowns in Asian refineries impacted operating rates in the region which remained at around 82%. US improved runs as margins recovered due to higher seasonal demand and economic recovery

Product Cracks







- Lower petchem margins affected Naphtha demand in Singapore and Europe
- Gasoline cracks improved with higher utilization but were not in line with expected seasonal demand. Asian cracks supported by demand from India & Vietnam
- Improved economic activity and surge in non-OECD demand supported gasoil cracks

Domestic Market : Product-wise Demand

('000 MT)	1Q FY10	4Q FY10	1Q FY11	Y-o-Y change
MS	3,225	3,268	3,611	11.9%
HSD	14,336	14,502	15,849	10.6%
ATF	1,118	1,197	1,215	8.7%
Kero	2,317	2,302	2,215	-4.4%
LPG	2,859	3,373	3,096	8.3%
Naphtha	2,364	2,089	2,267	-4.1%
Others	6,911	6,721	6,415	-7.2%
TOTAL	**33,131**	**33,452**	**34,667**	**4.6%**

Source: IPR

Ongoing growth in personal automobiles, travel and increased economic activity leading to higher demand for transportation fuels

Refinery Product Sales

4Q FY10		1Q FY10	1Q FY11	% change
3,356	PSU	1,786	2,917	63%
9,193	Exports	5,238	9,533	82%
2,253	Captive	1,971	2,248	14%
1,554	Domestic (bulk)	1,278	1,387	8%
203	Domestic (retail)	30	264	780%
16,560	Total	10,304	16,349	59%

Units: in KT

- Sharp increase on a Y-o-Y basis in domestic volumes with higher demand and improved margin environment
- High throughput from the SEZ refinery resulted in higher exports
- Marginal decrease in volumes on sequential quarter basis was due to slowdown of few secondary processing units

R&M Business Summary

- Non-OECD demand growth led by developing Asia and LatAm provided support to higher product cracks
- Also, improving middle distillate demand in US & Asia over uptick in manufacturing activity promises better margin environment
- Light Heavy differential widens as OPEC compliance remains low and demand for lighter products improves

RIL to benefit from India's double-digit growth & deregulation of fuel prices

Petrochemicals

Polymers & Chemicals

Petrochemical Business Highlights

- Demand in Asia remained firm with high operating rates of around 90%
- Inventories of Polyolefin products (PE & PP) in China remained low as convertors increased volume off take on the back of reducing prices
- New capacity in Middle East and NE Asia of 7.8 MMT in 2010 (4.6 MMT during the quarter) resulted in mothballing / shutdown of higher cost capacities in Asia/Europe
- Product price came under pressure as new capacity came online. Margins for PE and PVC were impacted as feedstock prices remained firm while product prices reduced by 5% and 4% respectively
- Domestic demand remained subdued on account of reduced availability (mainly due to planned turnaround at RIL). Demand for PP grew at 6% demonstrating the underlying strength in downstream consumption

China and India continue to remain key growth markets

Improved outlook for US with greater visibility on economic recovery

RIL's Petrochemicals Business Performance

- Planned turnaround at Hazira and Nagothane crackers and downstream for 17 and 44 days respectively
- Cracker turnaround resulted in lower ethylene and propylene availability by 16% and 13% respectively
- PE and PVC product margins remained under pressure
- PP – Propylene deltas witnessed significant improvement
- PP export were at 186 KT as compared to 70 KT on a Y-o-Y basis
- Continued to operate at low inventory levels of about 7 days
- Operating rate at 100% of available capacity

Reduction in deltas and lower volumes impact contribution

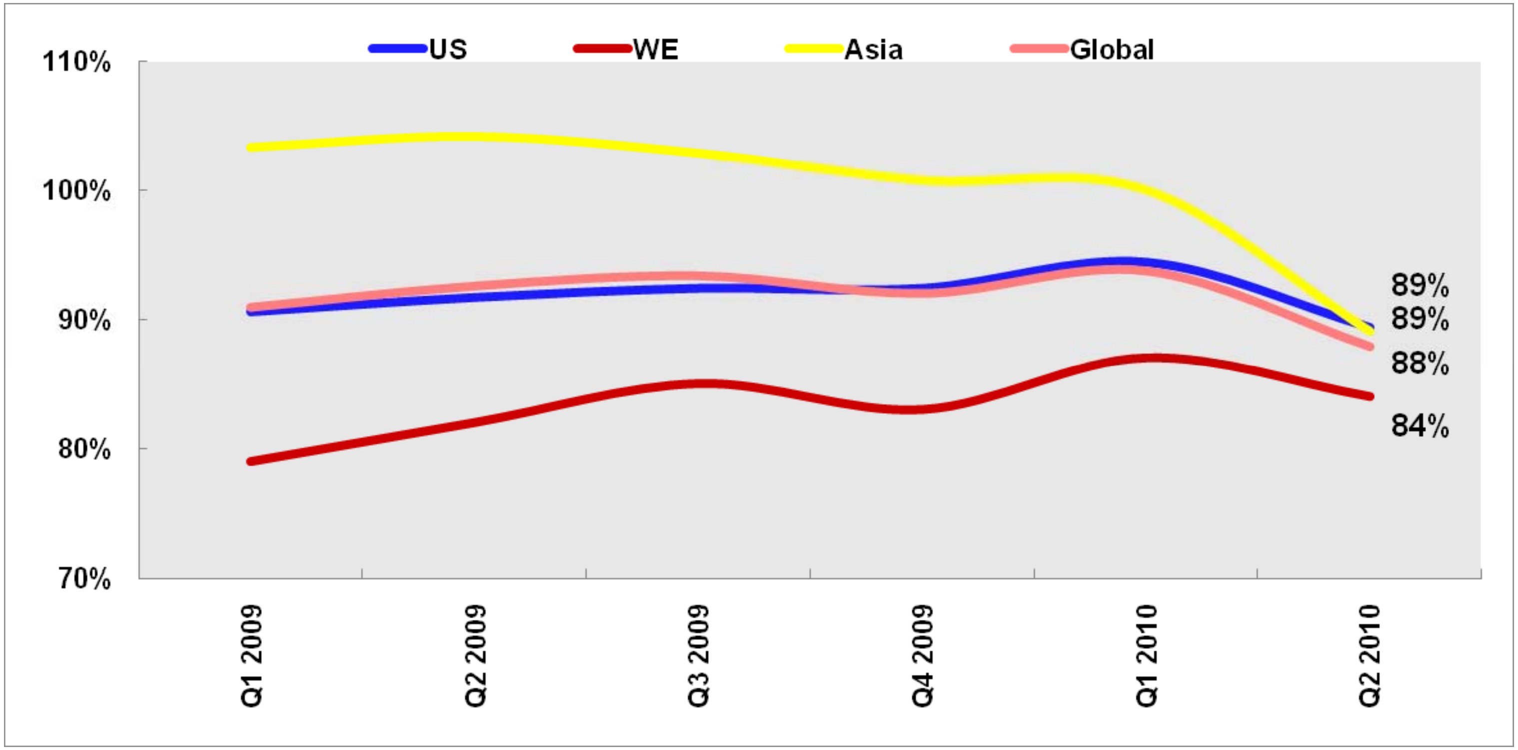
Price Scenario - Feedstock and Products

Asia	1Q FY10	4Q FY10	1Q FY11	% Change	% Change
$/Mt				1Q FY11 vs. 4Q FY10	1Q FY11 vs. 1Q FY10
Naphtha	494	686	681	-1%	38%
Ethylene	754	1,271	1,085	-15%	44%
Propylene	877	1,274	1,198	-6%	37%
EDC	365	492	507	3%	39%
HDPE	1,143	1,290	1,226	-5%	7%
PP	1,084	1,303	1,298	0%	20%
PVC	753	1,025	988	-4%	31%
Butadiene	753	1,854	2,096	13%	178%
Benzene	651	955	896	-6%	38%

Source: Platts

Decrease in polymer product prices higher than that of naphtha

Global Operating Rates



Source: CMAI

- New capacity in ME and NE Asia impacting operating rate in Asia; which continues to remain close to 90%
- US operating rates also maintained at 90% signifying improved economic sentiments in the region

2010 Global Ethylene Capacity Additions

'000 KTA

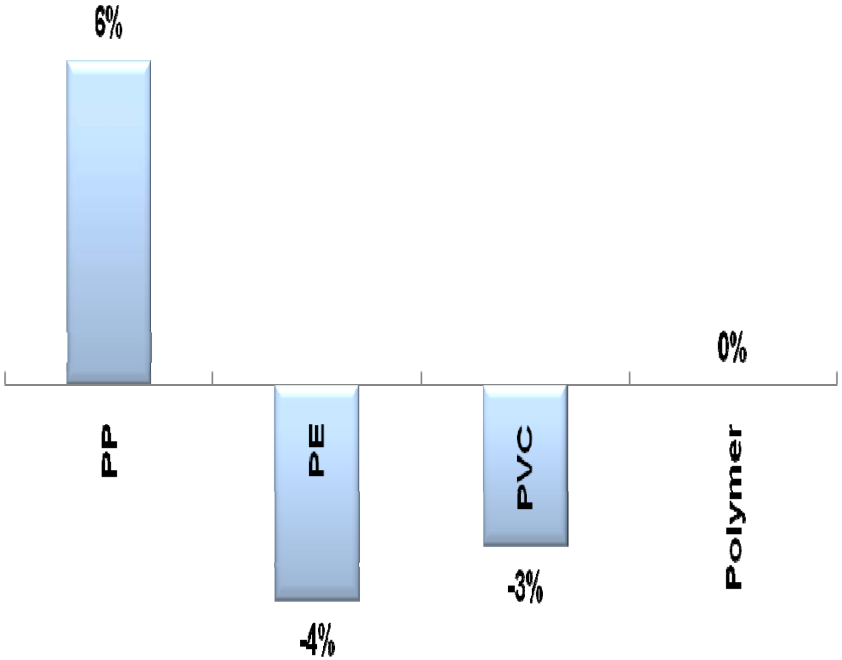
Region	Company	Capacity
NE Asia	Panjjini Ethylene	450
NE Asia	Sinopec/Sabic	1000
SE Asia	PTT Polyethylene	1000
SE Asia	Shell Chemcial	800
India	Indian Oil	857
M E	RLOC	1300
NE Asia	ZRCC	1000
SE Asia	MOC	900
M E	Morvind PC	500
Total		**7,807**

- Net capacity addition of 7 MMT (5% of global capacity) in Asia and ME
- Operating rates in all regions adjust to absorb additional capacity

Domestic Demand

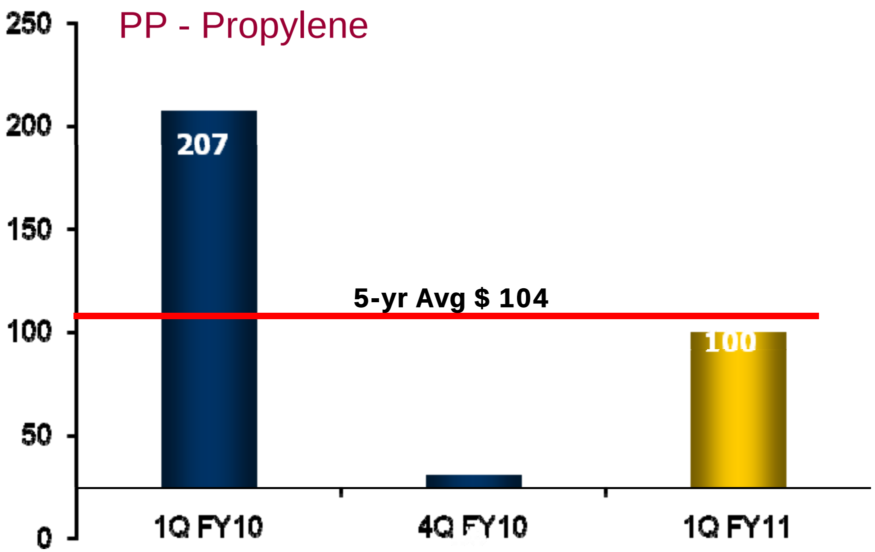
- 1Q FY10 witnessed rising prices and consequent higher imports and inventories. Comparatively, 1QFY11 saw flat/declining prices leading to reduction in imports and inventories
- Ongoing growth in automobiles, packaging and consumer products resulted in higher demand for PP
- Lower domestic supply due to turnaround resulted in lower consumption
- On a sequential basis, demand for polymers grew by 2%

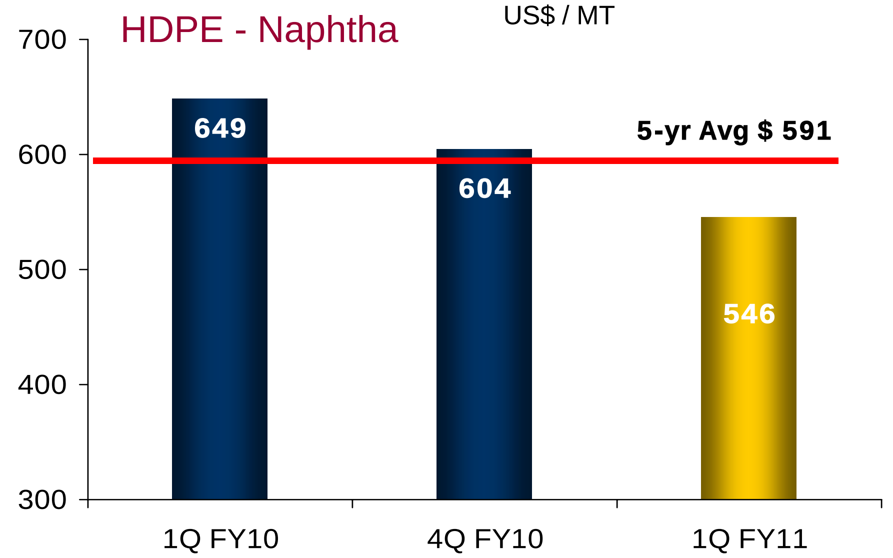
Industry 1Q FY11 growth (Y-o-Y)



Polymer Deltas

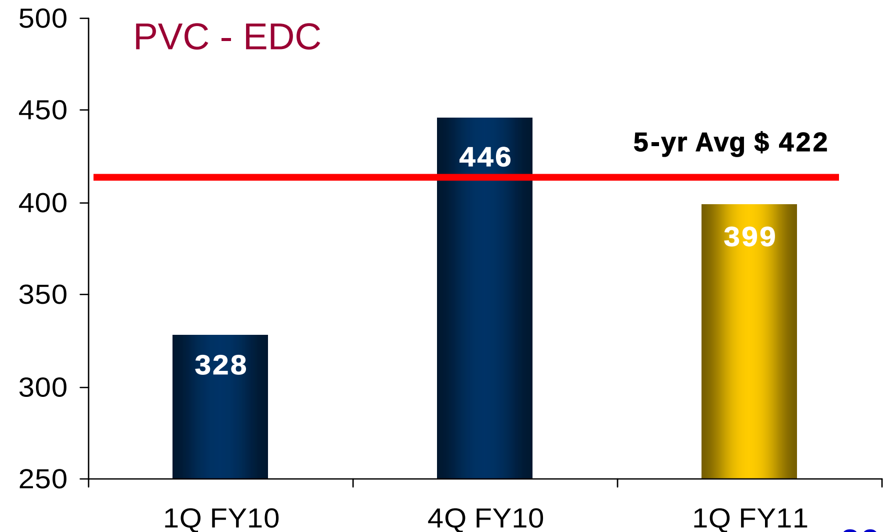
US$ / MT





Source : Platts

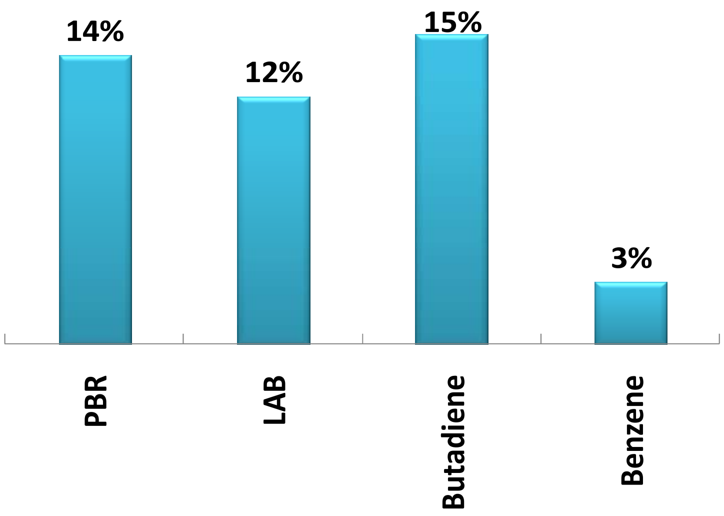
- High refinery utilization rates led to expansion of PP margins
- Low cost ethylene capacities in Middle East impact PE deltas
- Cost push from EDC prices could not be passed on to PVC prices



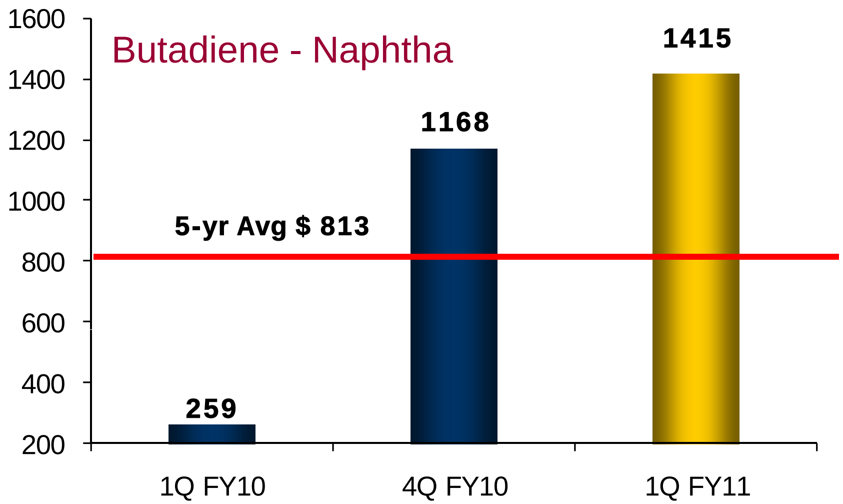
Domestic Demand - Chemicals

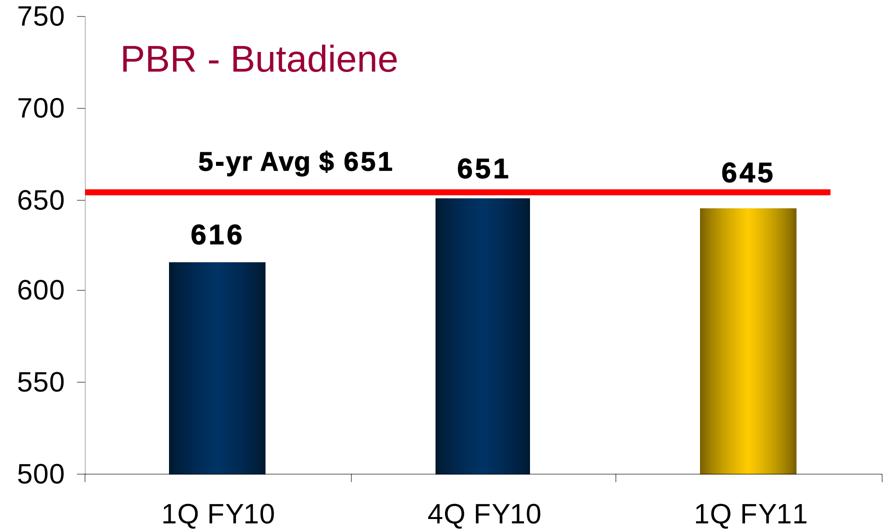
- PBR – 1Q FY11 witnessed staggering 14% growth on Y-o-Y basis with the increase in demand from automobile sector (Tyre)
- LAB – increasing per capita consumption of detergents clocked 12% growth
- Butadiene grew at 15% with healthy growth in ABS sector
- Benzene growth at 3% with increasing demand in the Chloro Benzene sector

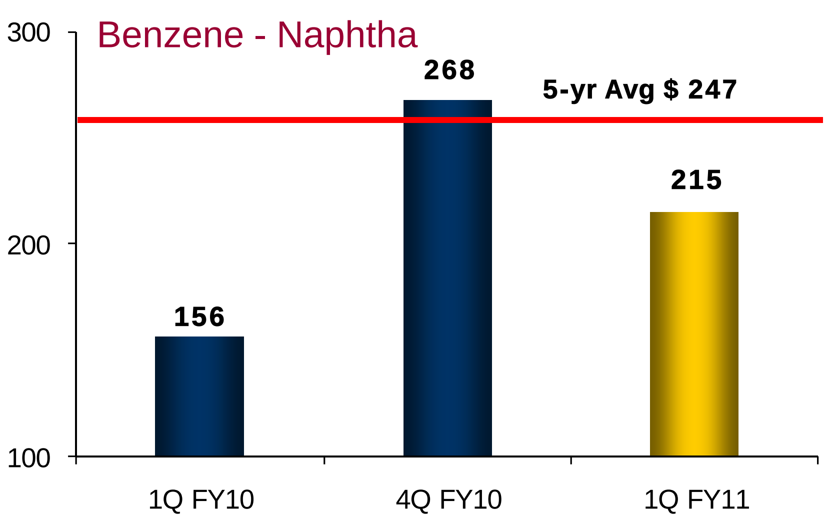
Industry 1Q FY11 growth (Y-o-Y)

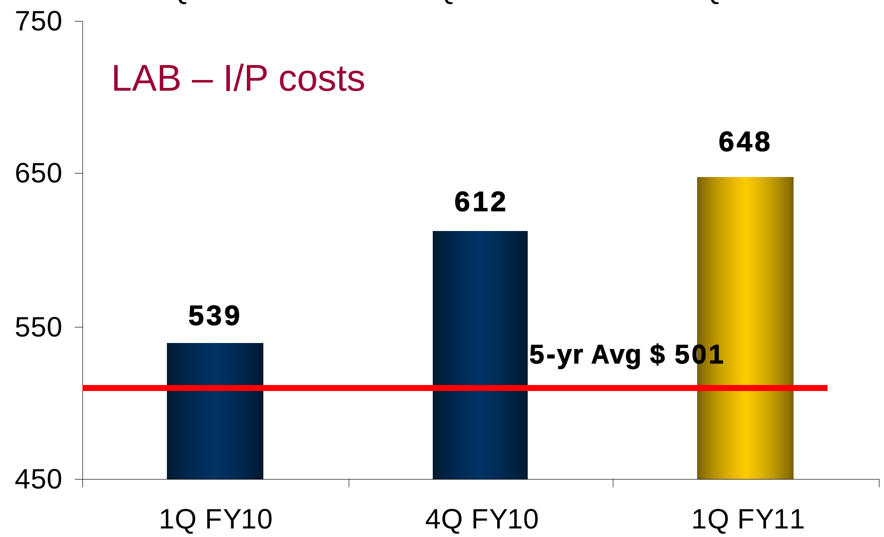


Chemical Deltas









Petrochemicals Business Summary

- Significant new capacity addition in 2010 impacting high cost, inefficient crackers
- Operating rates remain high even as new capacity came on line: margins impacted as new supply got absorbed
- Domestic demand remained stable despite the impact of de-stocking
- RIL to continue its predominantly domestic orientation in order to sustain high operating rates
- Strong domestic growth to continue on the back of low per capita consumption and economic growth

Robust economic environment to drive domestic demand growth

Petrochemicals

Polyester and Fibre Intermediates

Polyester Business Environment

- Improvement in polyester delta as feedstock prices were subdued and cotton prices stayed at record levels
- Ongoing firmness in international cotton prices improved polyester demand
- Operating rates at near 100% even as domestic demand grew by 10% on a year-on-year basis
  - PET grew by a huge 38% while POY grew by 10%
- Stronger Yuan and increasing operating costs in China support growth in India's textile export in the near term

RIL's Polyester Business Performance

- Polyester production up by 3% at 422 KT while total production for intermediates was at 1.1 million tonnes
- All facilities operated at 100% of available capacity
- Continued to operate at low inventory levels of about 7 days
- Significant margin improvement for polyester and PTA with best margins in the last 6 quarters

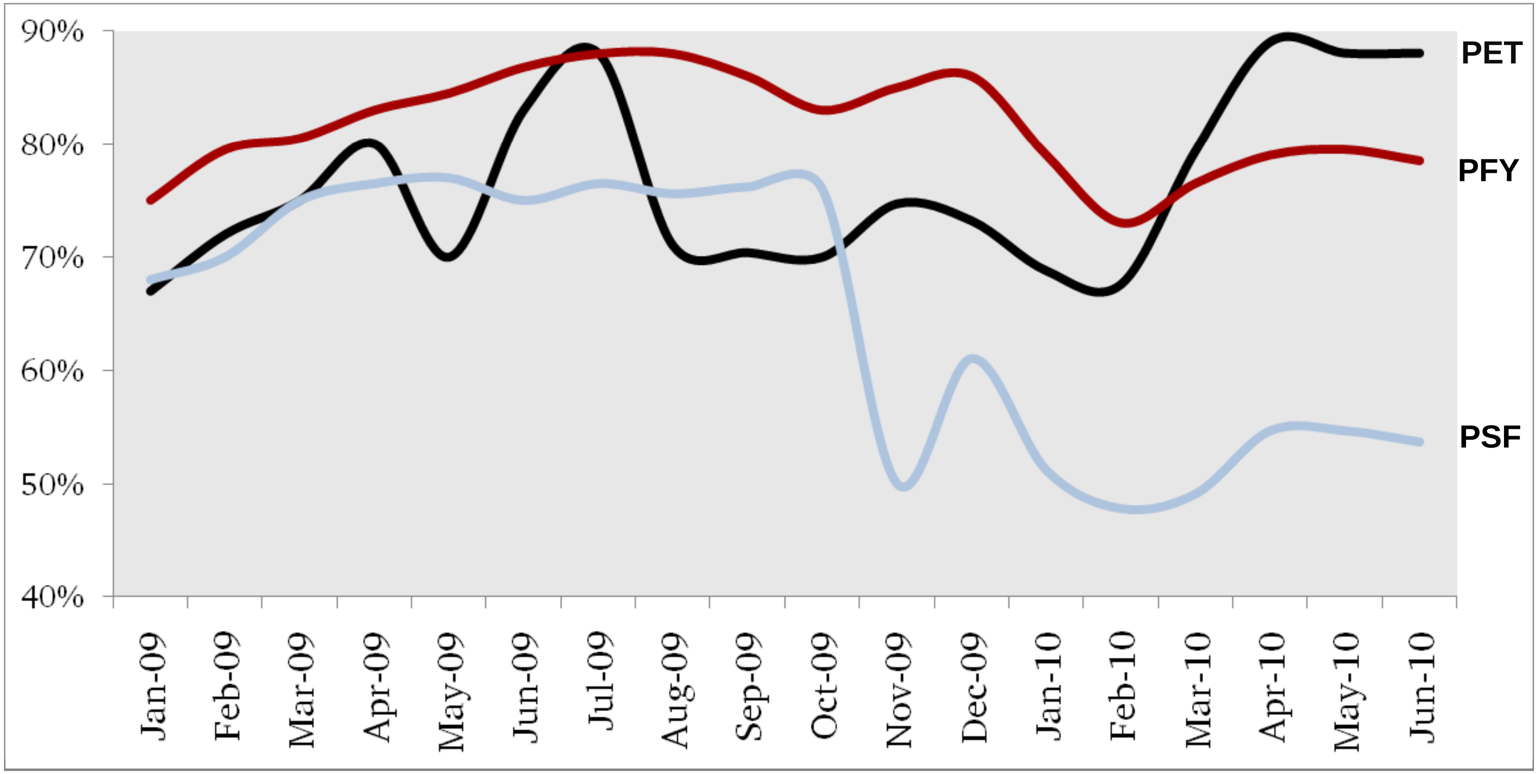
Robust growth in demand and margin
RIL maintained its leadership position

Price Scenario - Feedstock and Products

Asia	1Q FY10	4Q FY10	1Q FY11	% Change	% Change
$/Mt				1Q FY11 vs. 4Q FY10	1Q FY11 vs. 1Q FY10
Naphtha	494	686	681	-1%	38%
PX	957	1,055	1,007	-5%	5%
PTA	850	951	902	-5%	6%
MEG	556	963	818	-15%	47%
POY	1,235	1,328	1,415	7%	15%
PSF	1,125	1,218	1,305	7%	16%
PET	1,056	1,278	1,264	-1%	20%

Robust downstream demand supported polyester prices

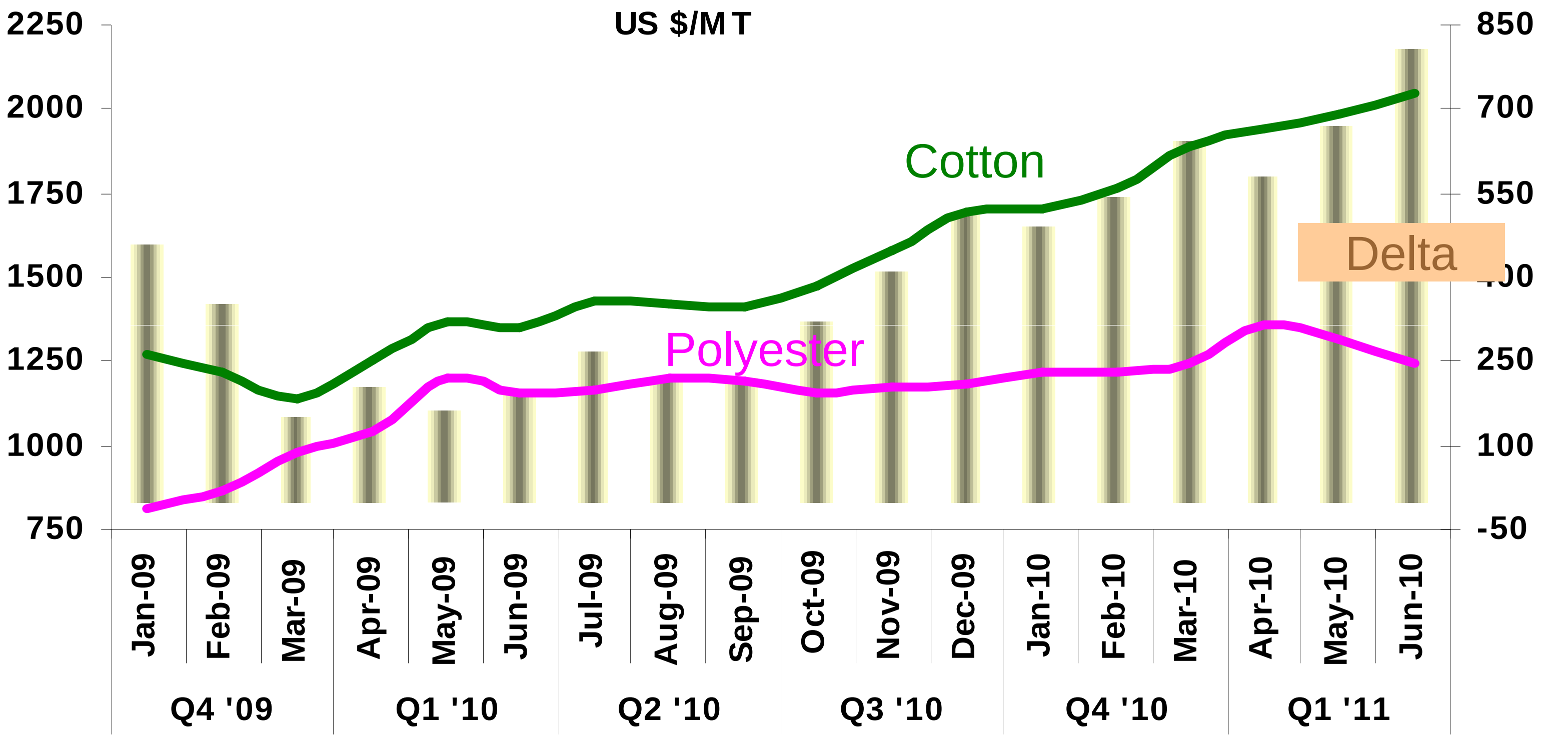
Polyester Operating Rates: China



Source: CCFEI

- Recovery in textile operations supported high operating rates
- PET operating rates improved with higher beverage consumption

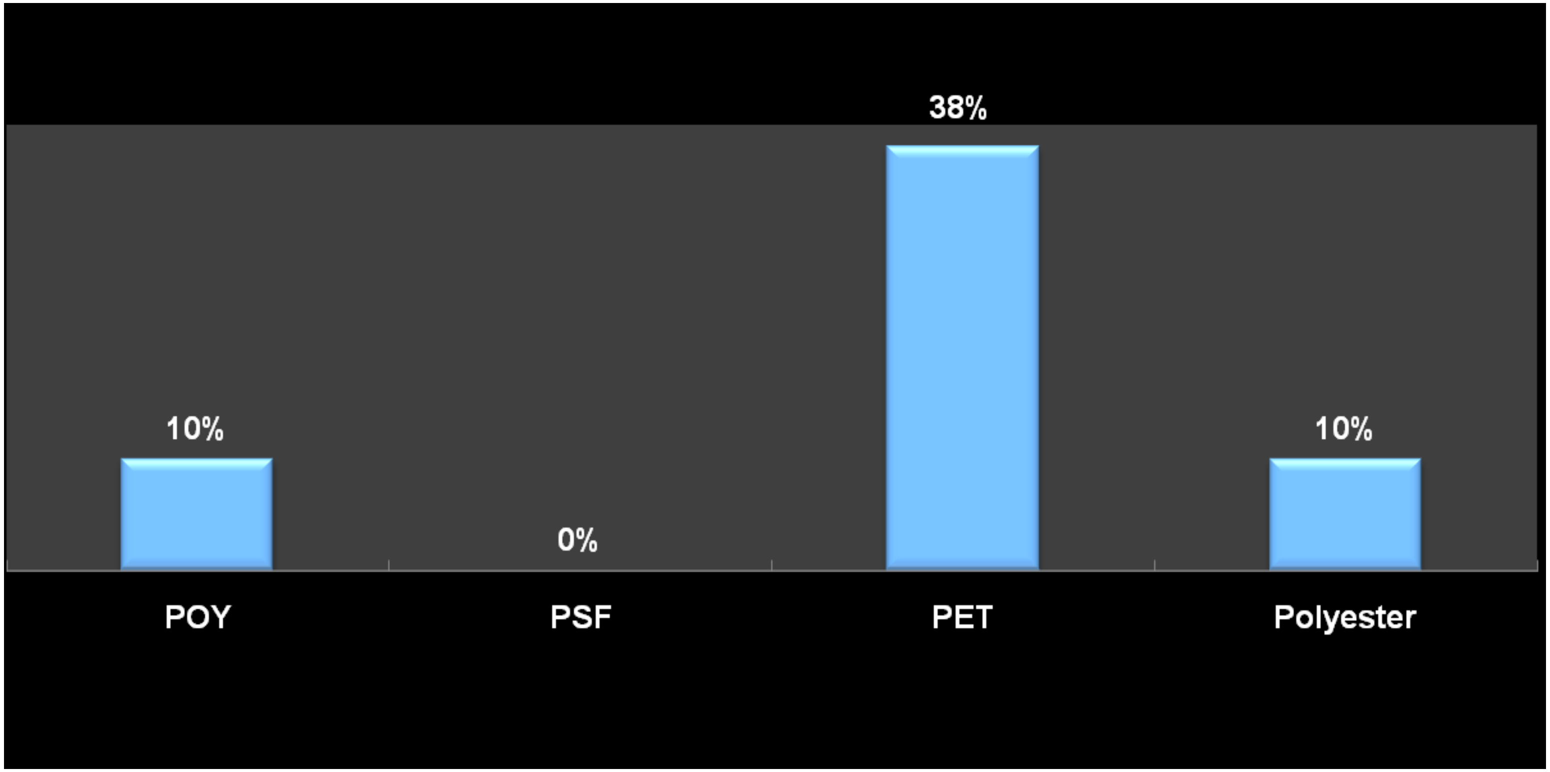
Cotton and PSF Prices: Global



Source: Cotlook and ICIS

Steep rise in global cotton prices support polyester prices and demand

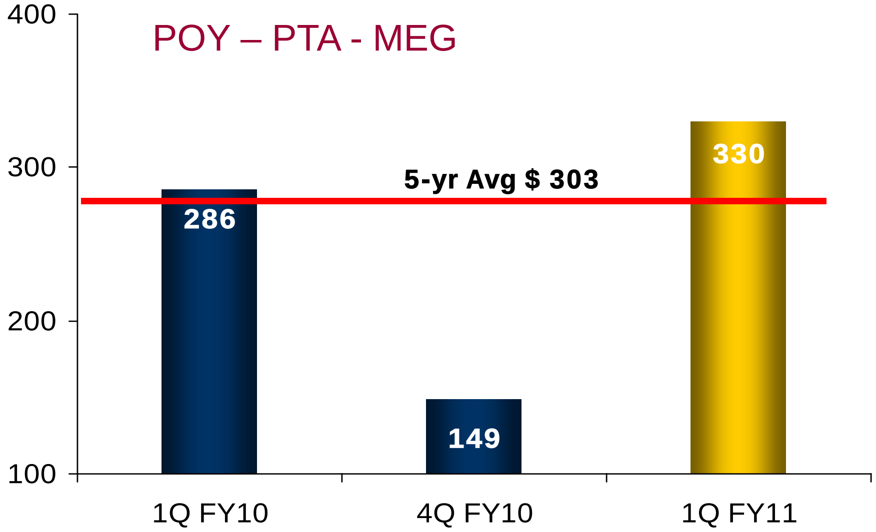
Domestic Polyester Growth

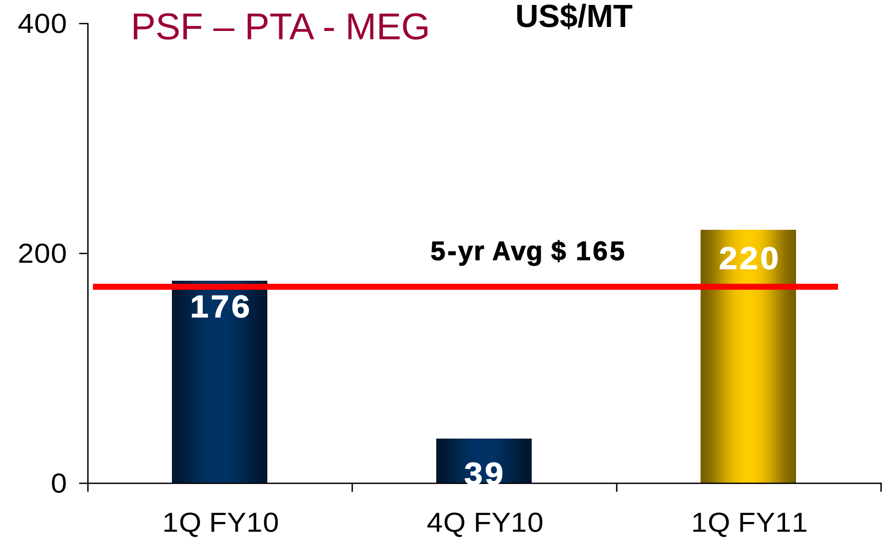


- Strong growth in PET with higher consumerism and beverage demand
- Overall growth of 10% due to increase in non-apparel applications like home furnishing, automobiles and technical textiles

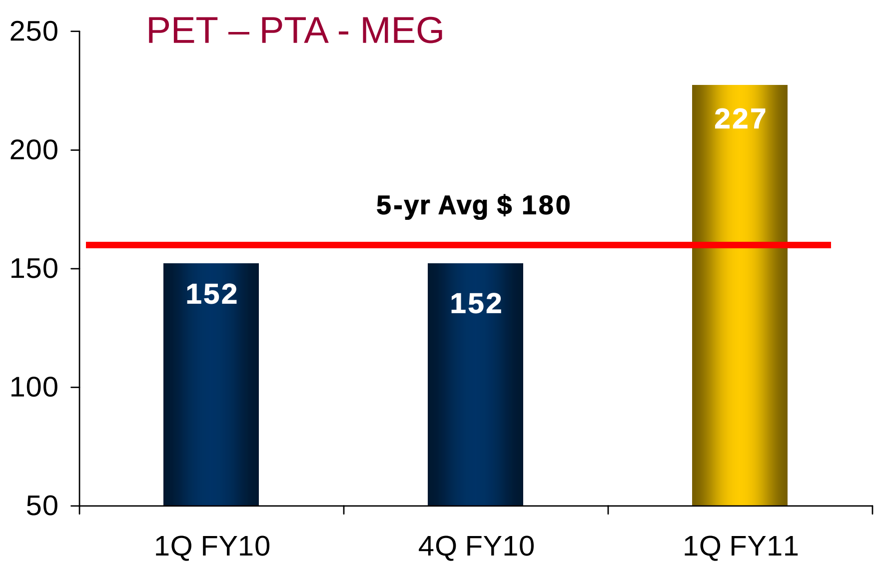
Polyester Margin Environment

US$/MT





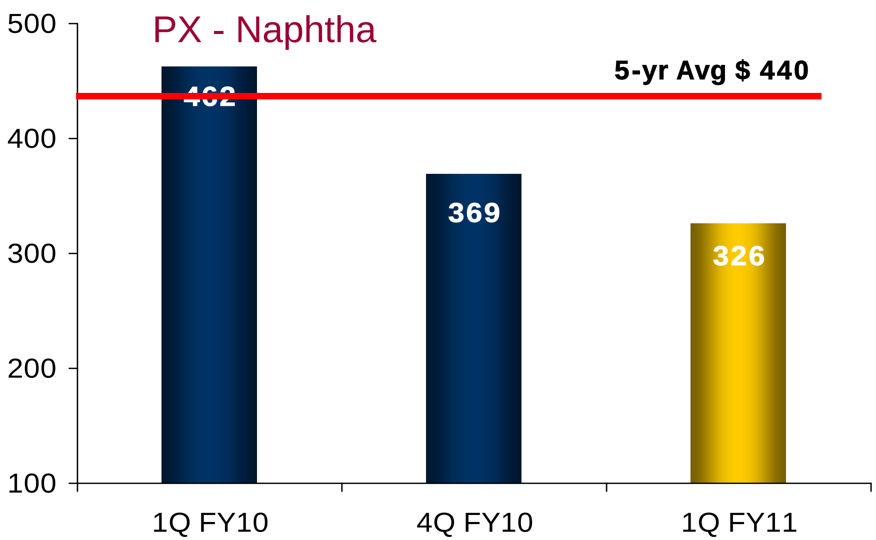
Source: Platts, ICIS-Lor

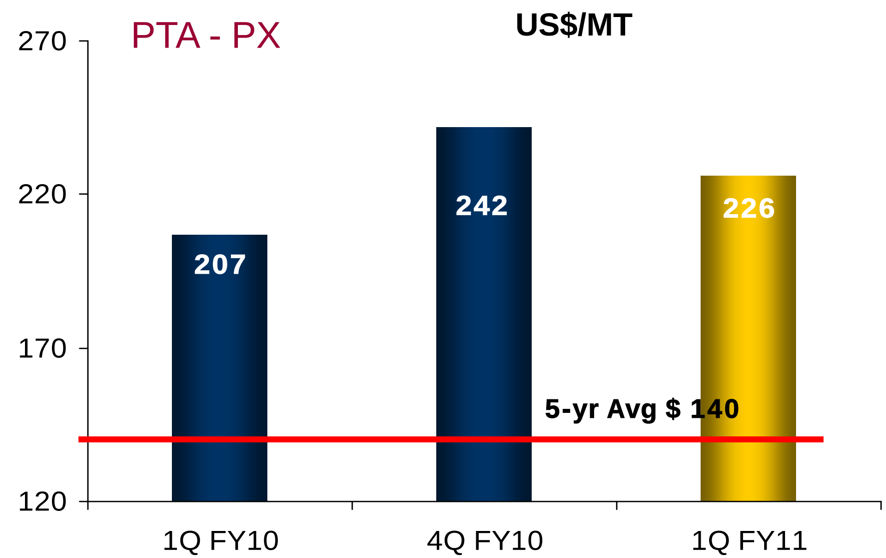


Highest deltas over the past 6 quarters

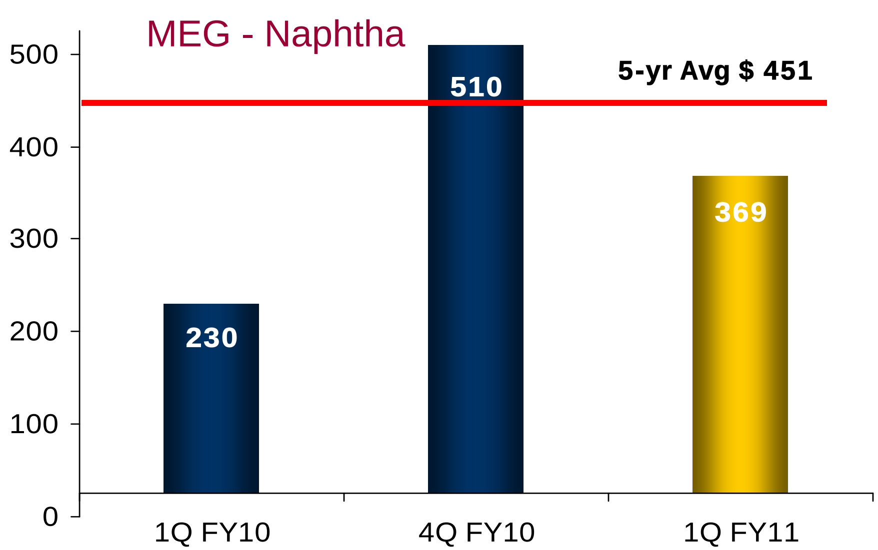
Strong demand and higher cotton prices allow for improved pricing and higher deltas across polyester products

Fiber Intermediates Margin Environment





Source: Platts, ICIS-Lor



PX delta declined due to stronger naphtha prices

Higher supply due to start-ups in China impacted PTA delta

New supply of MEG from the ME region resulted in over supply

Polyester Business Summary

- Surge in urban and rural consumption and emergence of new home & technical textile opportunities driving polyester demand
- Limited acreage for cotton adds impetus to polyester demand
- Change in demographics, higher % of youth, increase in disposable income, increase in urbanization, more middle class households, increase in working women population and increased fashion awareness across age profiles, even in Tier B & C cities
- Growth in healthcare and hospitality sector to increase polyester demand

Increasing penetration and applications across segments

Summary

Summary

- Improved global economic outlook and higher domestic orientation to drive demand and margins for key products across the value chain
- All facilities working at safe and near peak performance
- New exciting opportunities in domestic and international E&P provide platform for significant growth as a leading E&P player globally
- Strong balance sheet with high liquidity to drive future growth
  - Significant expansion planned across the petrochemical chain
  - New business ventures in Organized Retail, BWA and Power generation

Uniquely poised to leverage India's growth opportunity based on cost leadership, execution and breadth of customer offerings

Thank You