1Q FY 2011-12 Financial Results

Analyst Presentation

July 25, 2011

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.

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1Q FY12 Performance Highlights

- Record quarterly EBITDA of ₹ 11,005 crore and net profit of ₹ 5,661 crore
- Strong recovery in Asian/US refining – Singapore complex nearing its 5-years high
- RIL delivers strong refining performance with record crude-throughput (operating rate of 110%) and margin back to double-digits ($ 10.30/bbl)
- Robust petrochemical performance despite market weakness – RIL increased its production leading to higher exports
- RIL commences implementation of its largest ever investment plan of $ 10-12 billion in petrochemicals
- 2 additional hydrocarbon discoveries in East-coast, deep-water blocks
- Subject to regulatory approvals, RIL set to acquire majority stake in AXA's Life and Non-life insurance businesses in India

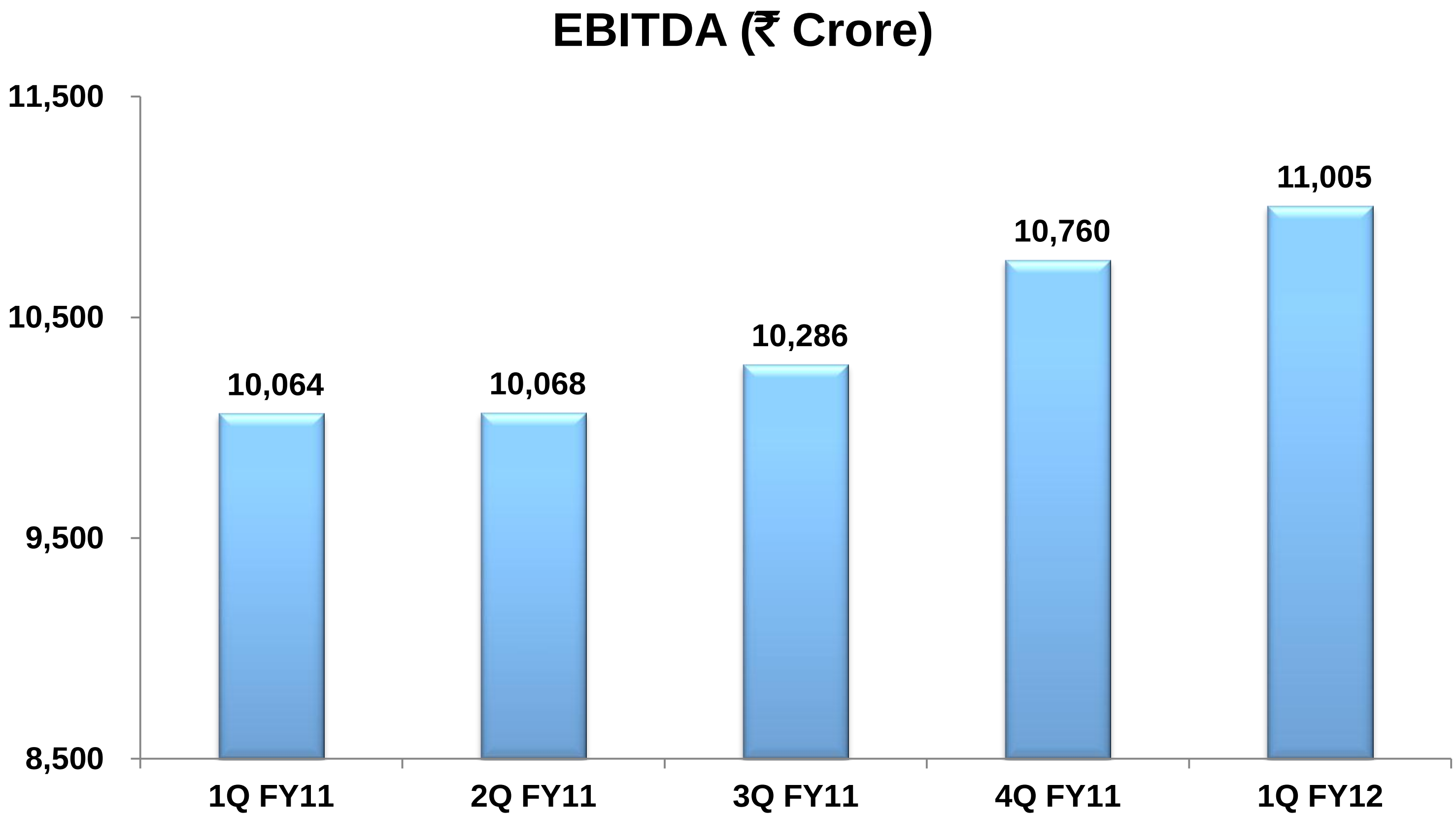
Financial Results

Financial Results – 1Q FY 2011-12

4Q FY11	(in ₹ Crore)	1Q FY12	1Q FY11	% Change
75,283	Turnover	83,689	61,007	37%
10,760	PBDIT	11,005	10,064	9%
14.3%	PBDIT Margin	**13.1%**	**16.5%**	
5,376	Net Profit	5,661	4,851	17%

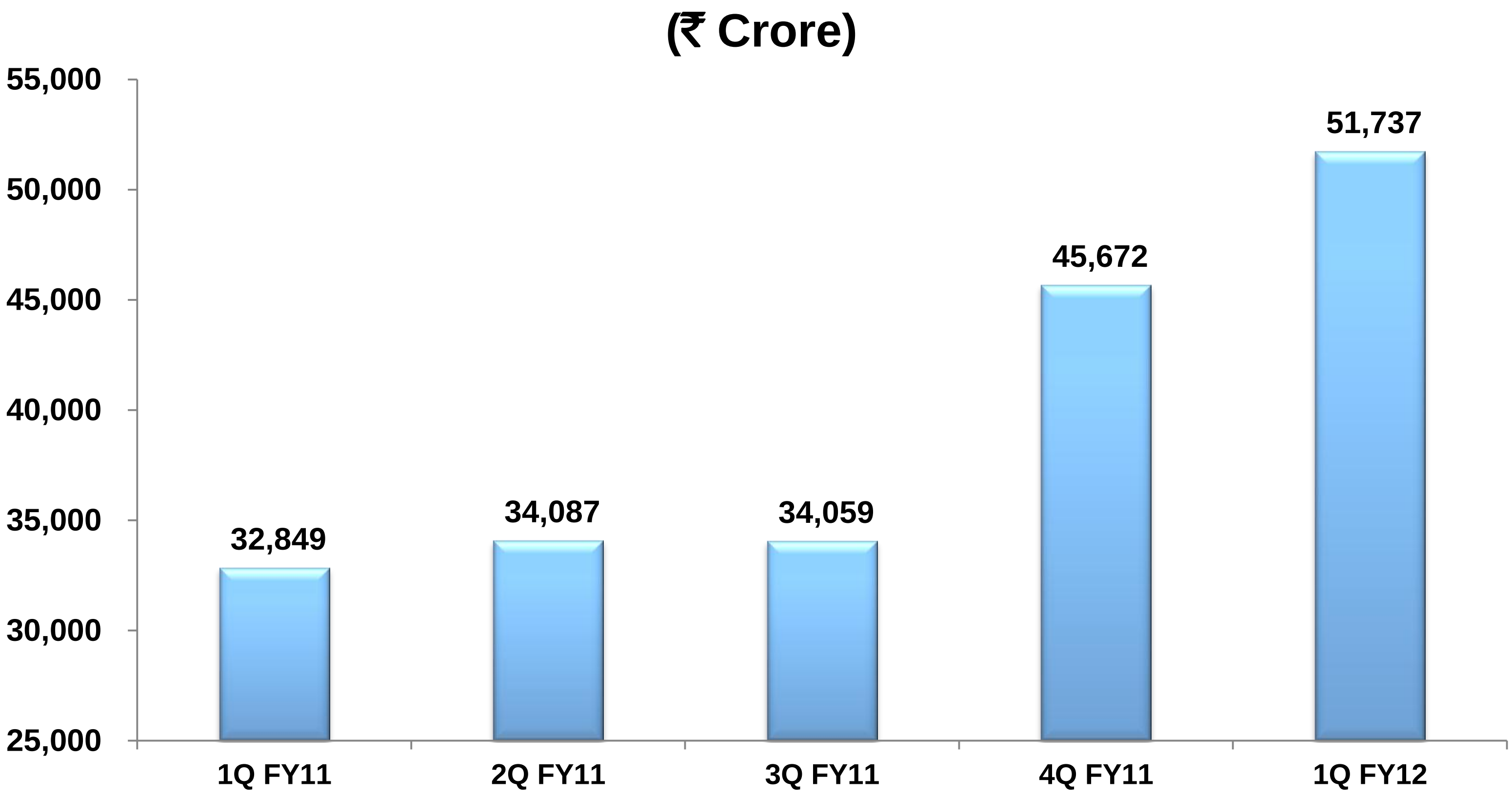
- Revenue growth in R&M and Petrochemical businesses – higher prices contribute 32.7% while higher volume contributed 4.5% to growth
- Higher net profit as a result of higher refining margins
- Lower contribution from E&P and base effect (higher crude and petrochemical prices) results in lower PBDIT margin

Robust EBITDA Growth



Continuing improvement in refining business environment resulting in 9% growth in EBITDA on a y-o-y basis

Exports Trend



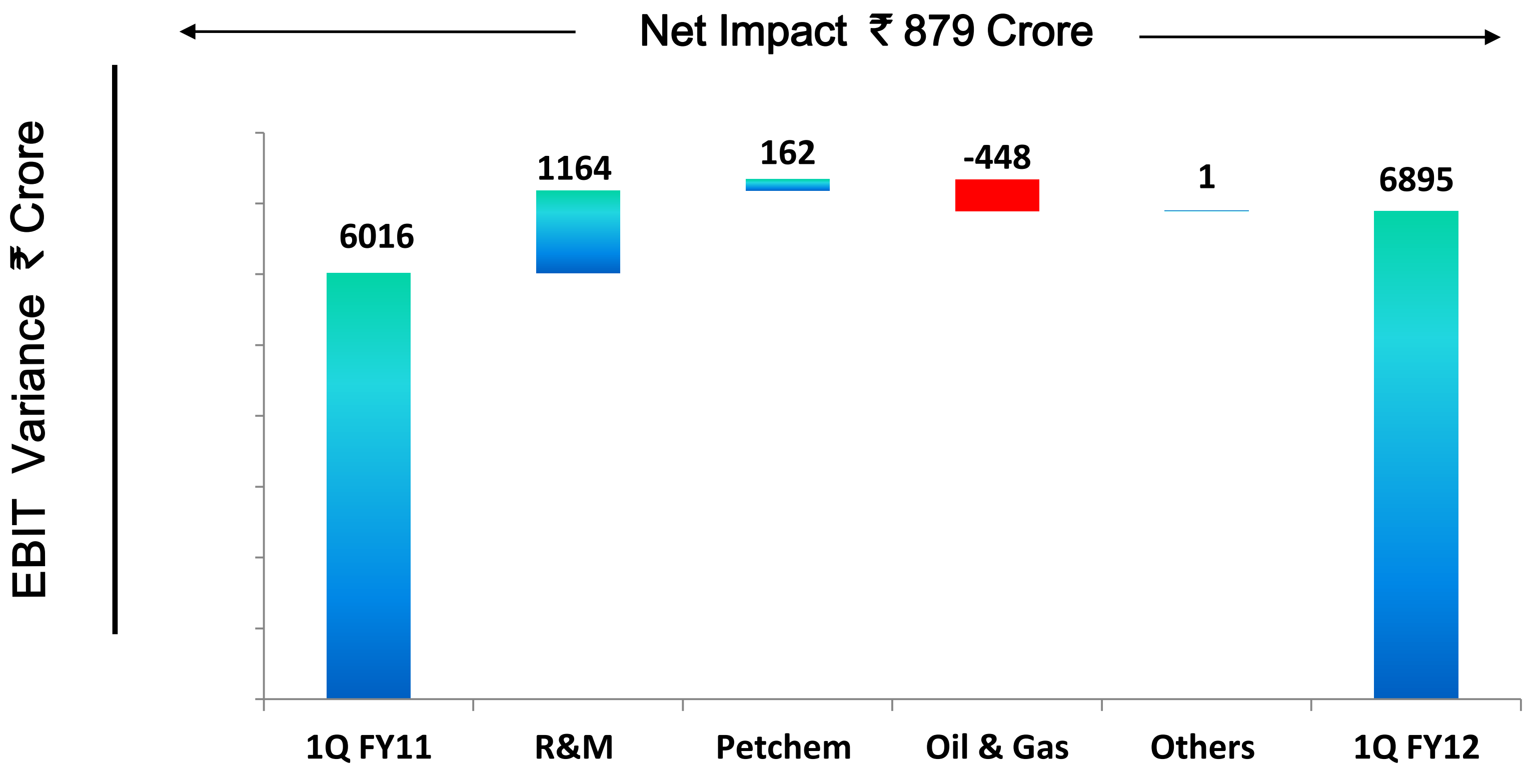
Higher product prices and volumes contribute towards 58% growth in exports on a y-o-y basis

Segment Results – 1Q FY12

4Q FY11	(in ₹ Crore)	1Q FY12	1Q FY11	% change	Sales Variance	
	Refining				**Volume**	**Price**
62,704	Revenues	**73,689**	50,531	45.8%	6.50%	39.40%
2,508	EBIT	**3,199**	2,035	57.2%		
13.6%	ROCE (%)	**18.2%**	10.3%			
	Petrochemicals					
18,194	Revenues	**18,366**	13,903	32.1%	6.50%	25.60%
2,627	EBIT	**2,215**	2,053	7.9%		
28.5%	ROCE (%)	**25.4%**	21.7%			
	Oil and Gas					
4,104	Revenues	**3,894**	4,665	-16.5%	-16.70%	0.20%
1,570	EBIT	**1,473**	1,921	-23.3%		
11.3%	ROCE (%)	**10.5%**	14.4%			

- Higher refining GRM at $10.3/ bbl against $ 7.3/bbl for the previous year resulting in higher R&M ROCE
- Higher deltas on a Y-o-Y basis resulted in improvement in Petrochemical ROCE
- Oil & gas margin lower on account of lower production from KG-D6

Segment EBIT Bridge – 1Q FY12 Vs 1Q FY11



Growth in EBIT reflecting improvement in refining business margins partly offset by reduced production of oil & gas

Net Profit Bridge – 1Q FY12 Vs 1Q FY11

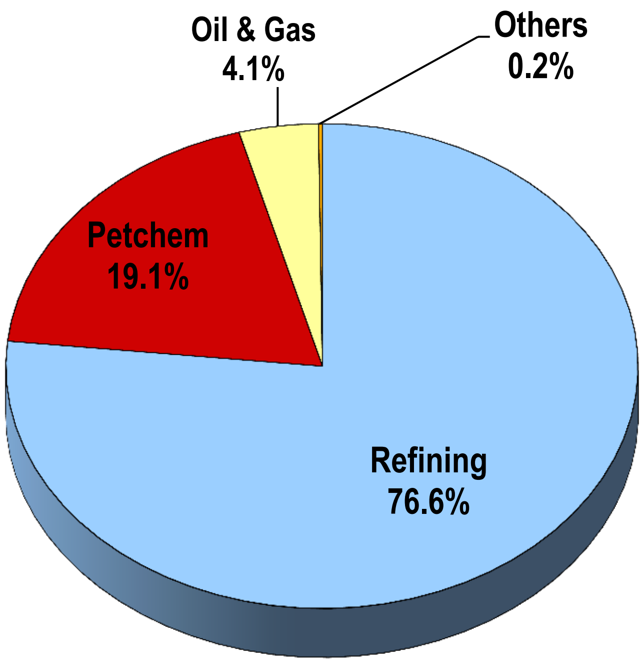
Net Profit up by ₹ 810 crore compared to previous period

	(₹crore)
Net Profit 1Q FY11	**4,851**
Operating Profit	584
Other Income	356
Interest	-4
Depreciation	290
Tax	-416
Net Profit 1Q FY12	**5,661**

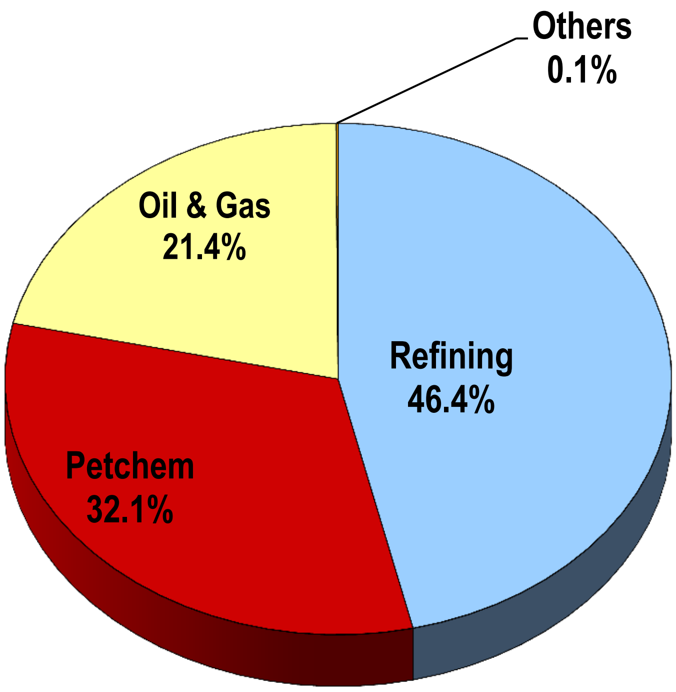
- Higher net profit due to higher operating profit, other income (high cash balance) and lower depreciation (mainly due to lower gas production)
- Higher tax provision (MAT on SEZ refinery) partly offsets growth in operating profit and other income

Business Mix – 1Q FY12

Revenues



EBIT



Growing contribution from R&M as GRM and operating rate improves

Financial Ratios

	Jun-11	Mar-11
Cash Balance (₹ Crore)	45,775	42,393
Net Debt : Equity	0.14	0.17
Net Gearing	11.4%	13.3%
Gross Interest Cover	16.2	14.7
ROCE (%)	14%	13.2%
ROE (%) (Adjusted)	15.9%	15.5%

- Highest ever cash balance and lowest ever net gearing
- Strong financials with a conservative balance sheet
- BBB positive outlook by S&P; Baa2 positive outlook by Moody's (both ratings are 1 notch above India's sovereign rating)
- Domestic debt rated AAA by CRISIL (S&P subsidiary) and FITCH

Oil and Gas – Exploration and Production

E&P Business Highlights

- KG-D6 gas production of 156 BCF in 1Q FY12
- Implemented Government of India's MoPNG's directive of gas sale priority to core / non core sectors in May 2011
- US shale gas
  - 2 JVs under production – ramp up in drilling & production in the quarter
  - Achieved highest quarterly production and sales from shale JVs
- Exploration & Appraisal activities
  - 4 Exploration wells drilled – in KGD9, CYPRD6, CYPRD7 and PRD8
  - Appraisal activities are ongoing in Blocks KG-D6, KG-V-D3 and CB-10
- 2 Discoveries notified to DGH
  - Dhirubhai-53 – Well SA1 in Block CY-PR-D6
  - Dhirubhai-54 – Well A2 in Block KG-D9
- Drilling of production wells is underway in the CBM blocks Sohagpur (East) & Sohagpur (West). 8 wells drilled in 1Q FY12

Production Update – 1Q FY12

4Q FY11		1Q FY12	1Q FY11	% Chg.
	Panna-Mukta			
3.1	Oil (MMBBL)	**2.7**	3.1	**-13.9%**
17.8	Gas (BCF)	**17.6**	17.7	**-1.0%**
	Tapti			
0.3	Oil (MMBBL)	**0.3**	0.3	**-26.9%**
21.1	Gas (BCF)	**20.2**	27.7	**-27.3%**
	KG-D6			
1.5	Oil (MMBBL)	**1.4**	2.4	**-41.4%**
161.9	Gas (BCF)	**156.2**	192.3	**-18.8%**
0.2	Condensate (MMBBL)	**0.2**	0.1	**75.0%**

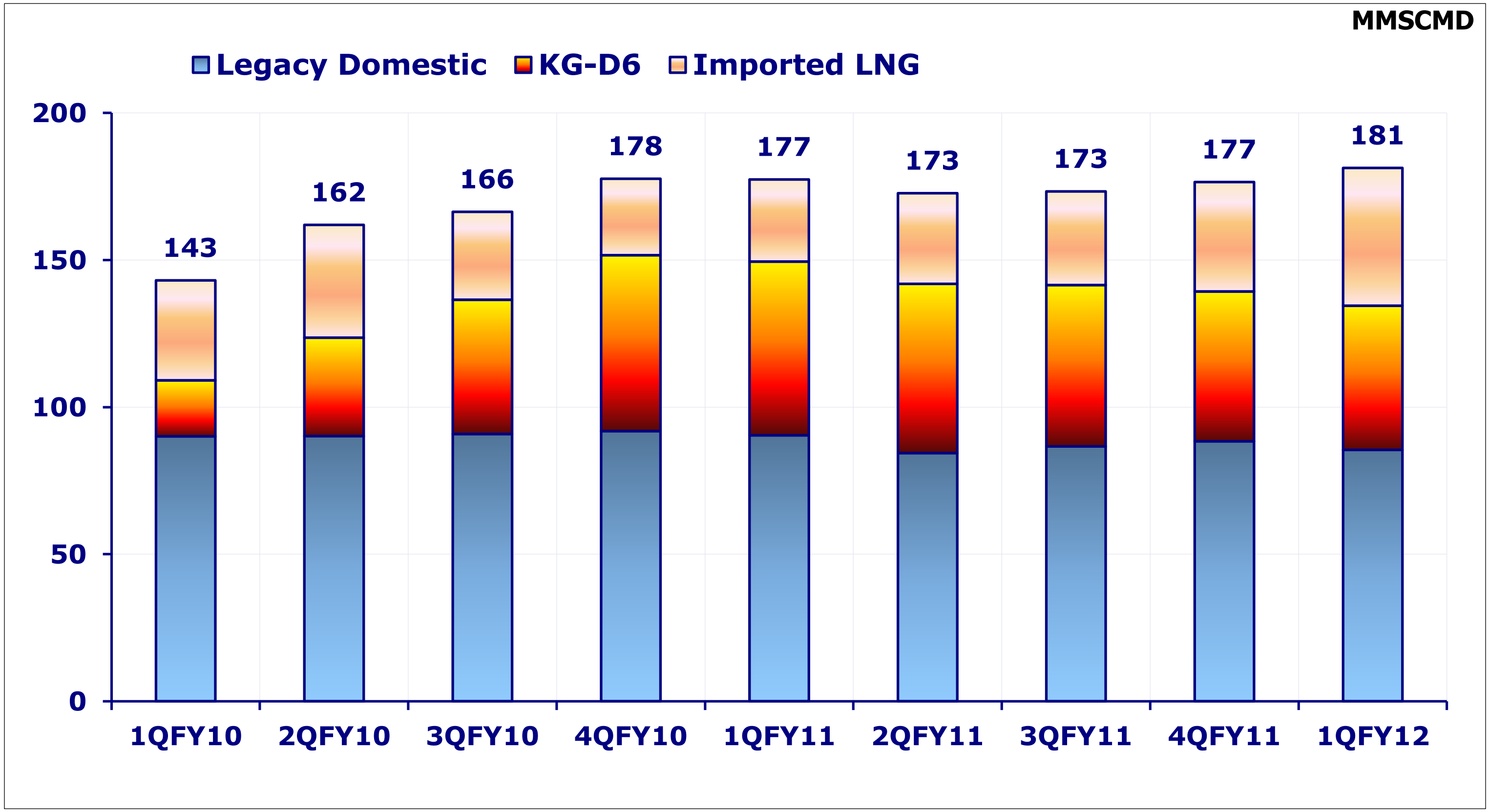
Note: Full production volumes

- Natural decline in production profile of PMT blocks
- KG-D6 average production of 49 MMSCMD of gas & 17,800 BOPD of crude oil / condensate
- Average crude oil price realization improved to US $ 117/bbl for KG-D6 and PMT (US $ 77 / bbl and US $ 80/ bbl respectively Y-o-Y)

KG-D6 Operations & Production

- Production update:
  - Cumulative JV gas production since inception ~ 1.41 TCF
  - Cumulative JV oil production since inception ~ 15 MMBO
- 20 wells in D1/D3 of which 18 are producer wells
- 6 wells in D26 field are producer wells
- Focus on HSE with Zero incident performance and 100% uptime

India: Gas Consumption



Source: Global Analyst Research

Increased supply of LNG (up 68% on a Y-o-Y basis) despite high price environment

Shale Gas Business

- Impressive ramp up of activities across 3 JVs ongoing
  - Added 2 rigs during the quarter -17 rigs operational in the quarter
  - Increased momentum in drilling and fracking of wells in Pioneer and Chevron JV.
  - Carrizo expected to achieve first production during 2H-CY2011, as per the original plan
- Exit gross production rate for all JVs ~133 MMscfpd of gas and ~13,800 Bpd condensate
- Reliance's share of Gross production for all the JVs at 4.1Bcf gas and 432 Mbbl of liquids in Q1-FY12
- Henry Hub gas price benchmark averaged at $ 4.36/MMBTU, while WTI gas condensate benchmark averaged at around $ 102/bbl in Q1 FY12

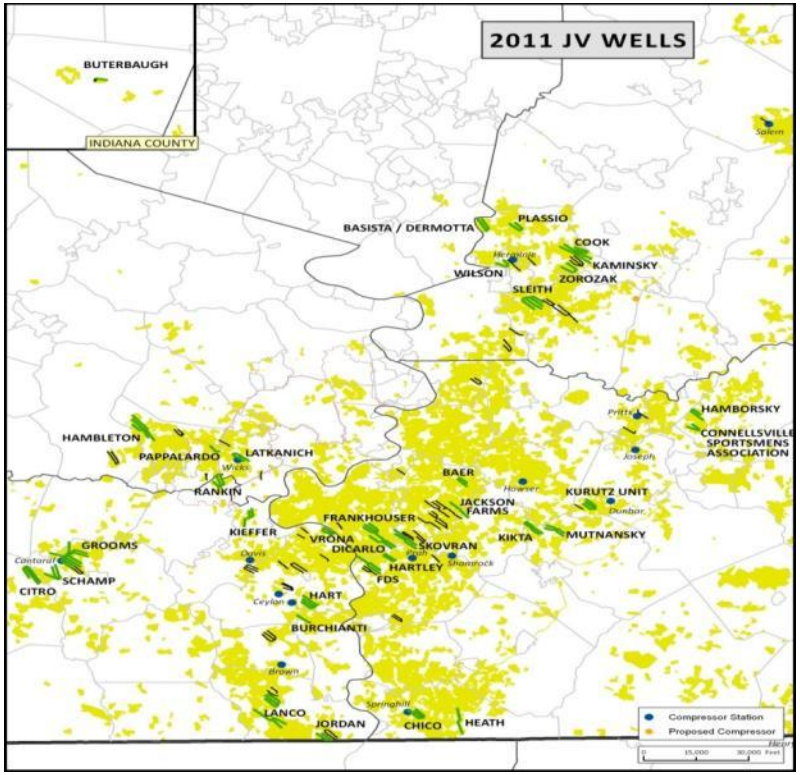
Encouraging quarter with strong development progress

Chevron JV: Development Progress Overview

- 3 horizontal rigs and 1 Frac crew in operation
- 22 producing wells with gross exit production rate ~ 51 MMscfd at JV level
  - Reliance's share of production at ~1.6Bcfe in Q1FY12
  - Production constrained due to mid-stream availability
  - Encouraging IP rates; actual production in-line with expectations
- Large inventory of wells awaiting drilling & TIL
- 3D seismic acquisition progressing
- Conservative drilling schedule, ramping up cautiously
  - In view of the prevailing gas price environment and availability of take-away capacity (Q3 FY12 step-up)
- $82 million of additional capex (incl. carry) in 1Q FY12; cumulative investment of over $689 million till date

(As on June 30, 2011)

	Wells Spud	Wells drilled
Q4'11	68	39
Q1'12	76	48



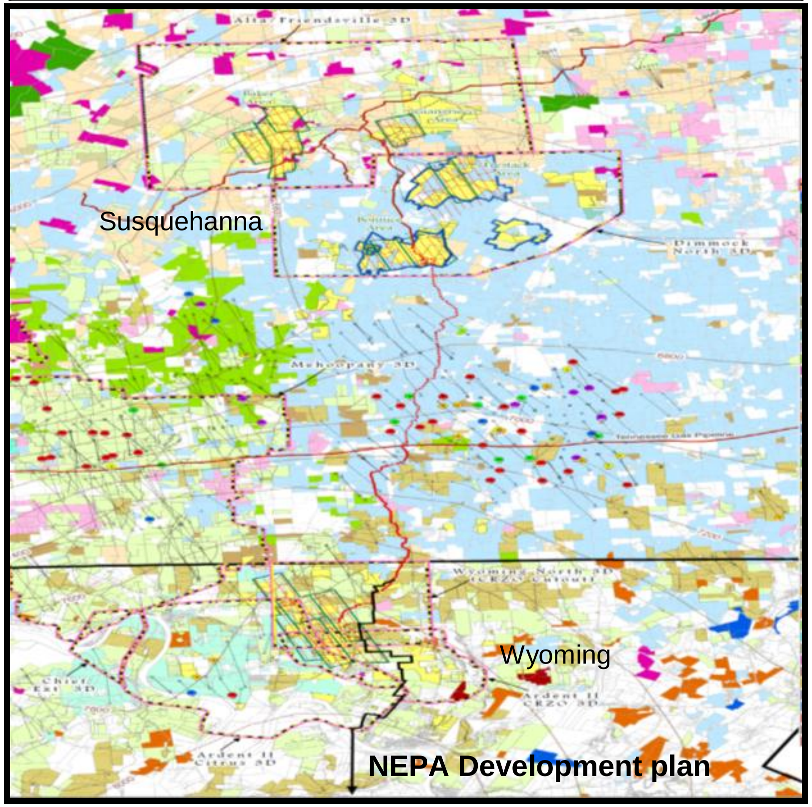
Building momentum, post smooth transition to the new operator (Chevron)

Carrizo JV: Development Progress Overview

- 100,000+ JV acres with two core operating areas: NEPA & C-Counties
- First production from NEPA expected in 2H CY2011
- Northeast PA (NEPA)
  - Continuous 2 rig drilling program
  - Pipeline construction progressing to support first sales
  - Additional seismic being acquired in Wyoming County
  - Other operators results indicate increased production and EUR estimates
- C-Counties
  - Initial 10 well program commencing Sept '11
  - Ongoing Clearfield 3D survey
  - Progressing negotiations on midstream infrastructure
- $32 million of additional capex (incl. carry) during 1Q FY12; Cumulative investment of over $402 million

(As on June 30, 2011)

	Wells Spud	Wells Drilled
Q4'11	16	2
Q1'12	26	10



Northeast PA - Increased performance expectations

Pioneer JV: Development Progress Overview

- Accelerated drilling and development activities during the quarter
  - 2 additional rigs mobilized during the quarter; 12 rigs currently in operation
  - 70 wells drilled so far with addition of 20 wells during this quarter
- Drilling focus continues in the liquid rich area
- Production ramp up as per plan
  - 42 wells producing currently; 18 wells put on production during 1Q FY12, compared to 5 well POP'ed during the quarter
  - Gross JV exit production rate ~165 MMscfepd, including ~13,800 Bpd of condensate
  - Reliance's share of production at ~5.05 Bcfe in Q1 FY12
- Midstream JV progressing on plan – 5 CGPs commissioned, with the 6th expected soon
- Additional capex of $286 million in Q1 FY12; cumulative investment of over $1074 million till date in both upstream and midstream JVs

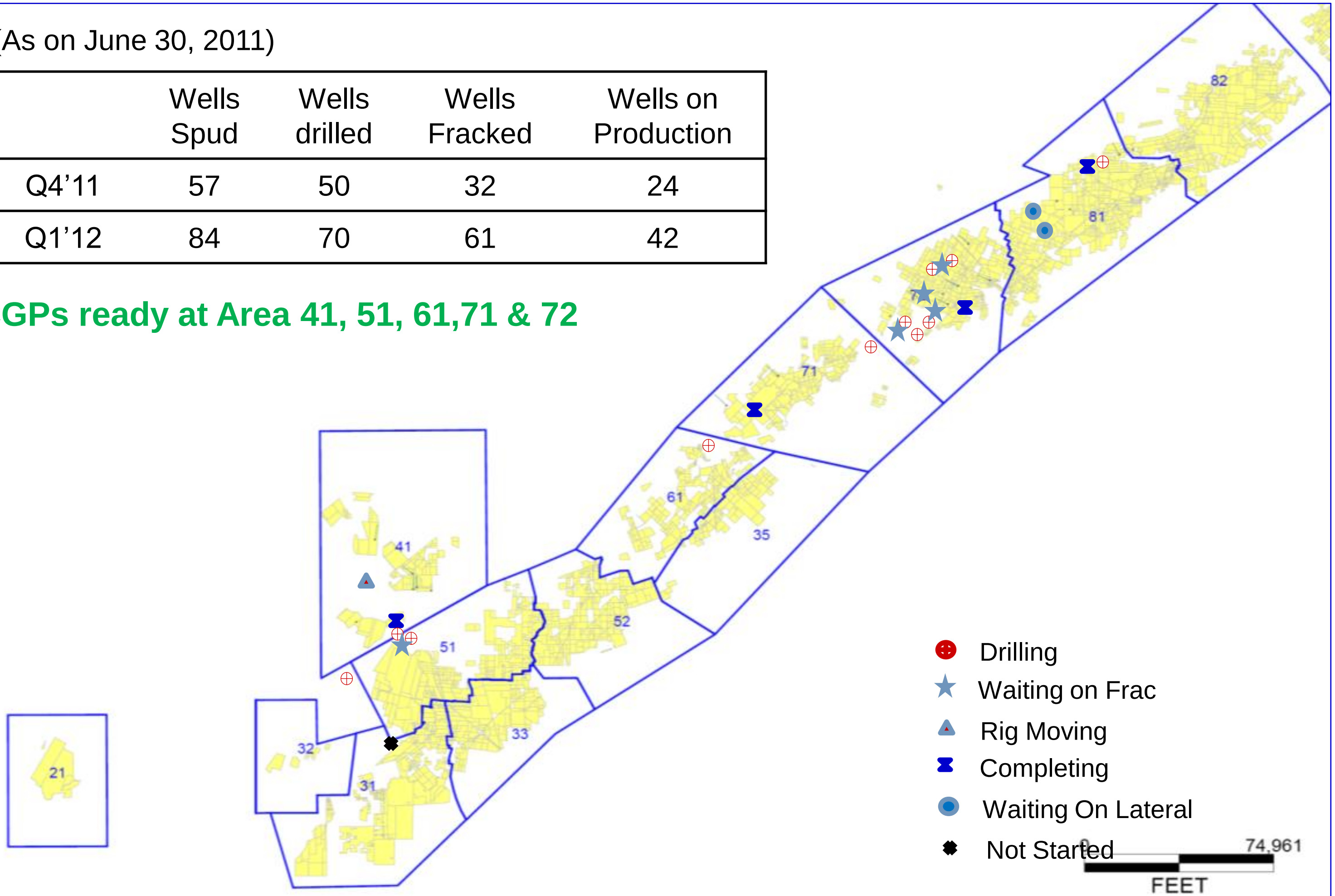
Eagle Ford is among most profitable shale plays in current environment; Reliance-Pioneer JV is among top 5 active operators in the play

Pioneer JV: Development Progress (Contd.)

(As on June 30, 2011)

	Wells Spud	Wells drilled	Wells Fracked	Wells on Production
Q4’11	57	50	32	24
Q1’12	84	70	61	42

CGPs ready at Area 41, 51, 61,71 & 72



Impressive ramp-up with emphasis on liquid rich areas of the play

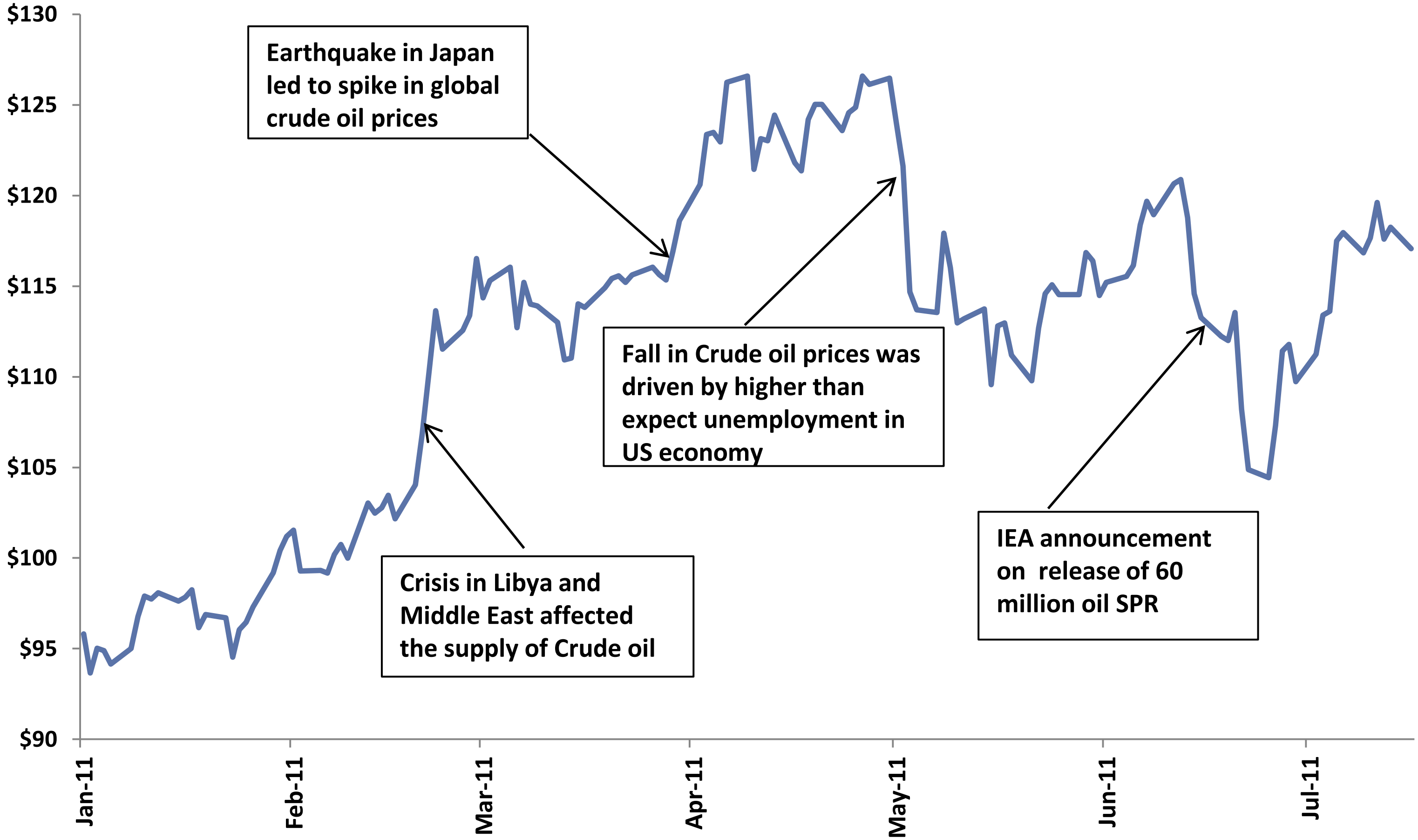
Refining & Marketing

R & M Current Business Environment

- Crude prices rose to $126/bbl before closing at $113/bbl by the end of quarter
- High crude and product prices moderately impacting oil demand
- IEA mandates release of 60 Mbbls of strategic stocks (crude & products) to ease prices
- IEA's oil demand growth projection - 1.2 Mbd for 2011; increase of 0.1 Mbd over last quarter
- MENA unrest - OPEC spare capacity reduced to 3-4 Mbd, reducing price cushion
- Middle distillates performs best amongst all product in all regions
- Refining margins in Asia improve
- Retail gasoline and diesel prices increases in India and China

Oil markets grow amid unstable global economic environment

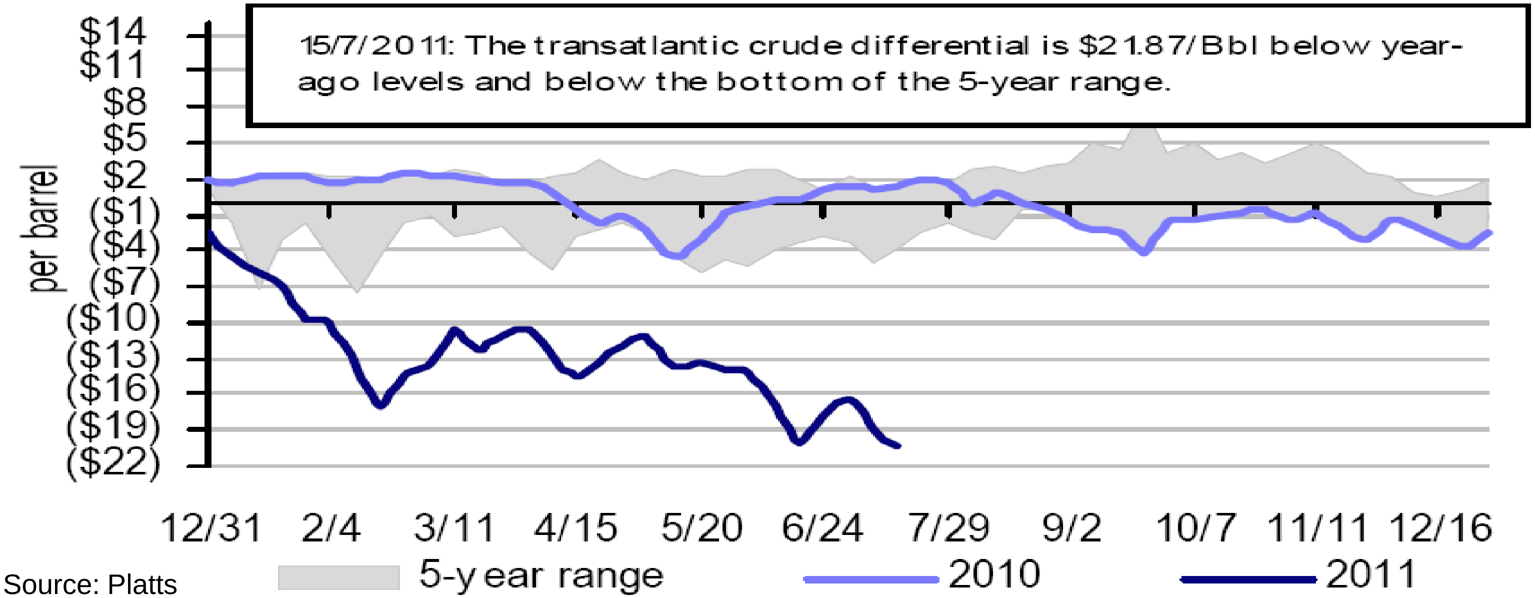
Crude Prices – Hits Highs and Recovers



Source: Platts; Brent ($/bbl)

High prices remain a concern for demand growth

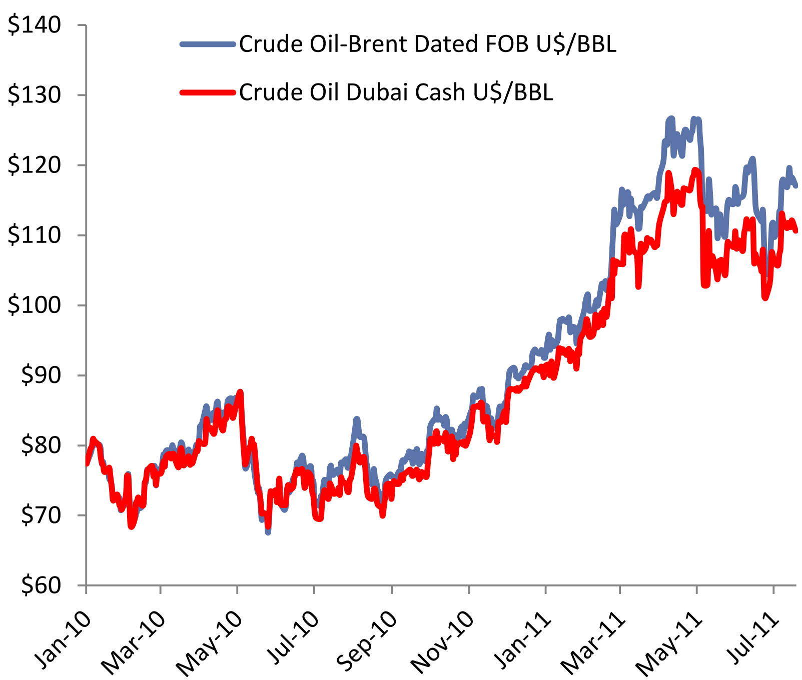
Unprecedented Widening in Brent versus WTI

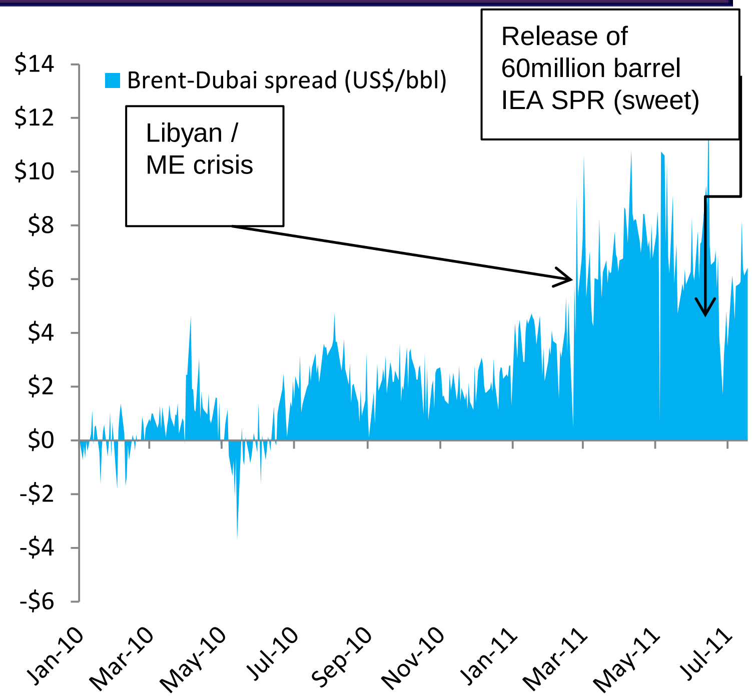


Source: Platts

- Logistical issues around Cushing largely responsible for the wide discount of WTI to Brent during the year
- Rising unconventional US production in recent months combined with the associated glut at Cushing causing the significantly widening in differential – since April 2011, WTI-Brent has doubled to around $ 20/bbl

Widening Brent-Dubai Differential

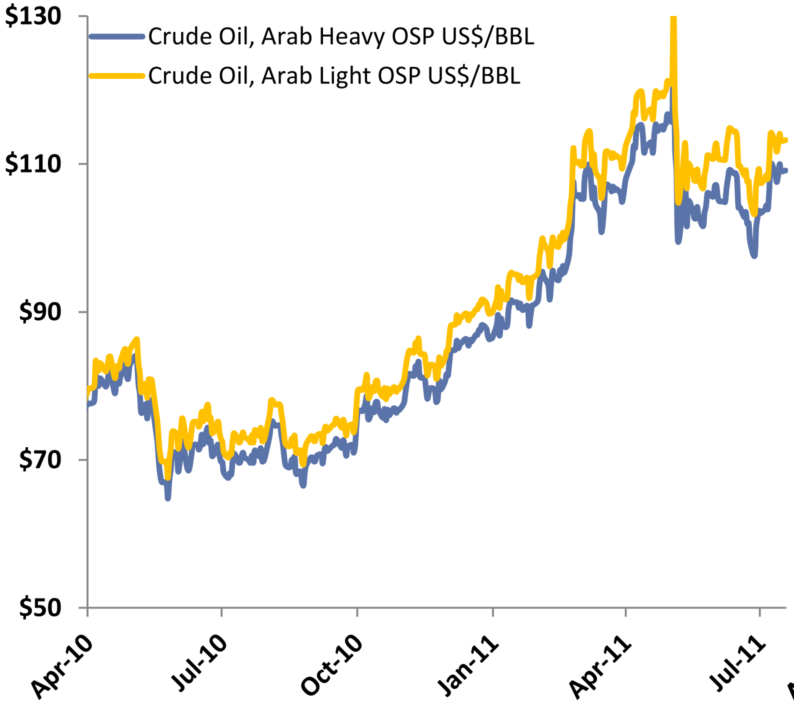


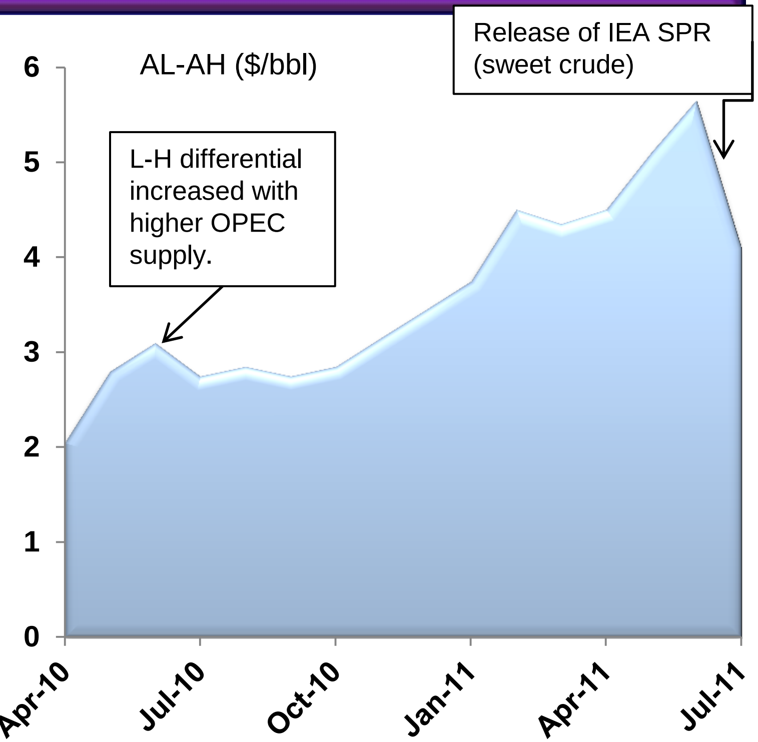


Source: Reuters

- Brent-Dubai spread remains wide over global shortage of light-sweet crude and increased production of Saudi heavies
- Significant widening in Brent-Dubai differentials which have gone up from $ 0.5 /bbl in 1Q FY11 to $ 7 /bbl in 1Q FY12

Arab Light-Heavy Differential

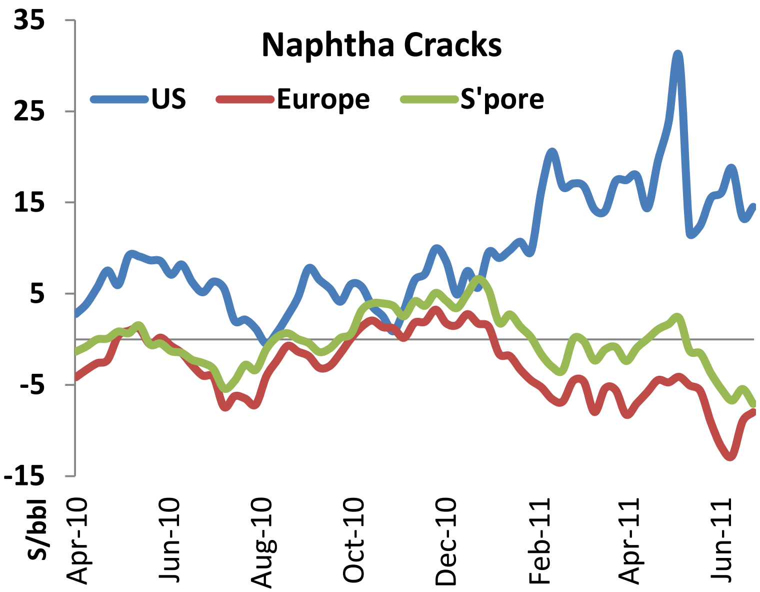


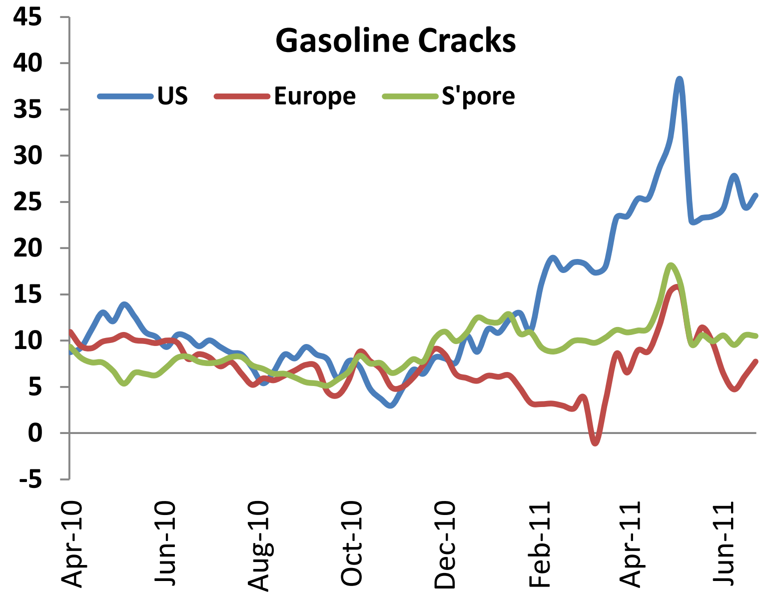


Source: Reuters

- Regional complex refineries benefitting from expanding Arab Light-Arab Heavy differentials
- Significant increase in quarterly average on a Y-o-Y basis from $ 2.65 in 1Q FY11 to $ 5.08 in 1Q FY12

Product Cracks: Light Distillates



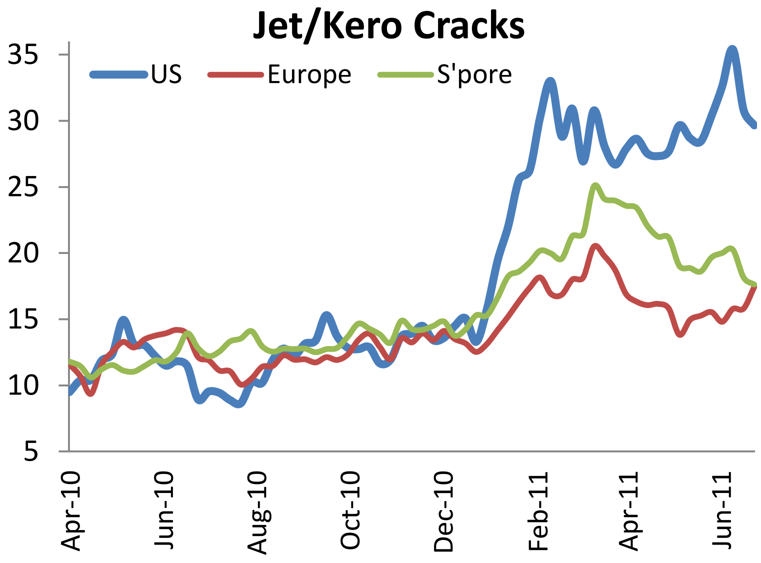


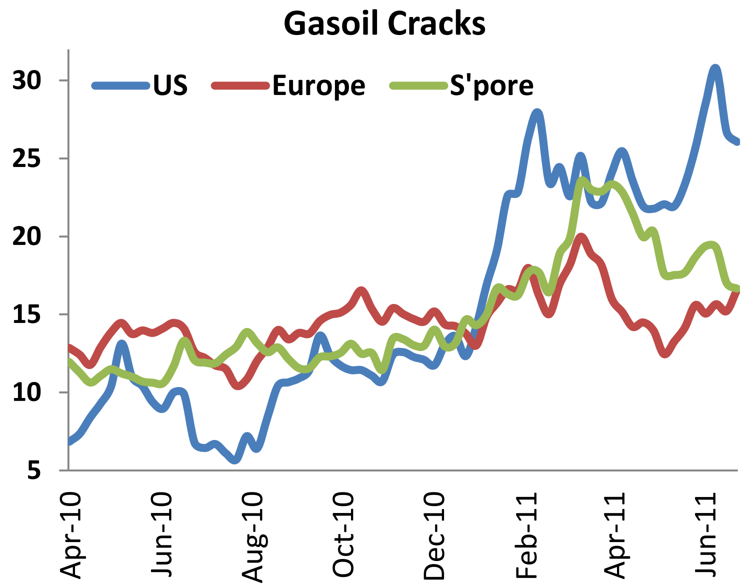
Source: Platts

- Unplanned cracker outages in Taiwan and Malaysia have been key factor to naphtha market sliding amid high supplies from Middle East and Europe
- Despite high reforming margin, naphtha cracks declined due to lower blending in to gasoline pool
- Gasoline cracks in the US improved due to suppressed WTI effect – Asian cracks remained stable

Light distillate complex showed weakness mainly due to naphtha

Product Cracks: Middle Distillates



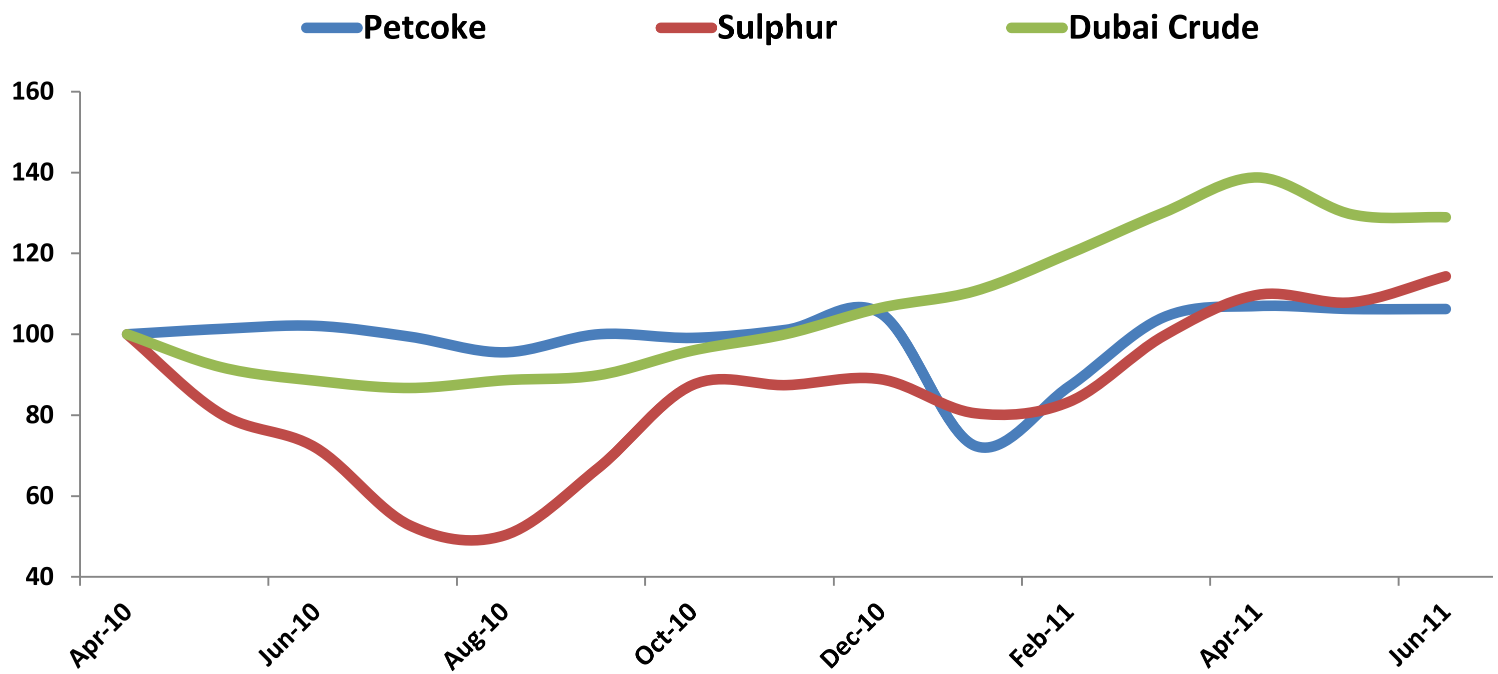


Source: Platts

- Strong regional demand for gasoil as China curtailed exports due to power generation issues
- Atlantic basin market gained from export opportunity to Latin America
- Ongoing demand from Japan helped increase gasoil cracks – although release of the IEA barrels especially from South Korea and Japan depressed the cracks towards end-June

Firmer middle distillate cracks offset light distillate cracks fall

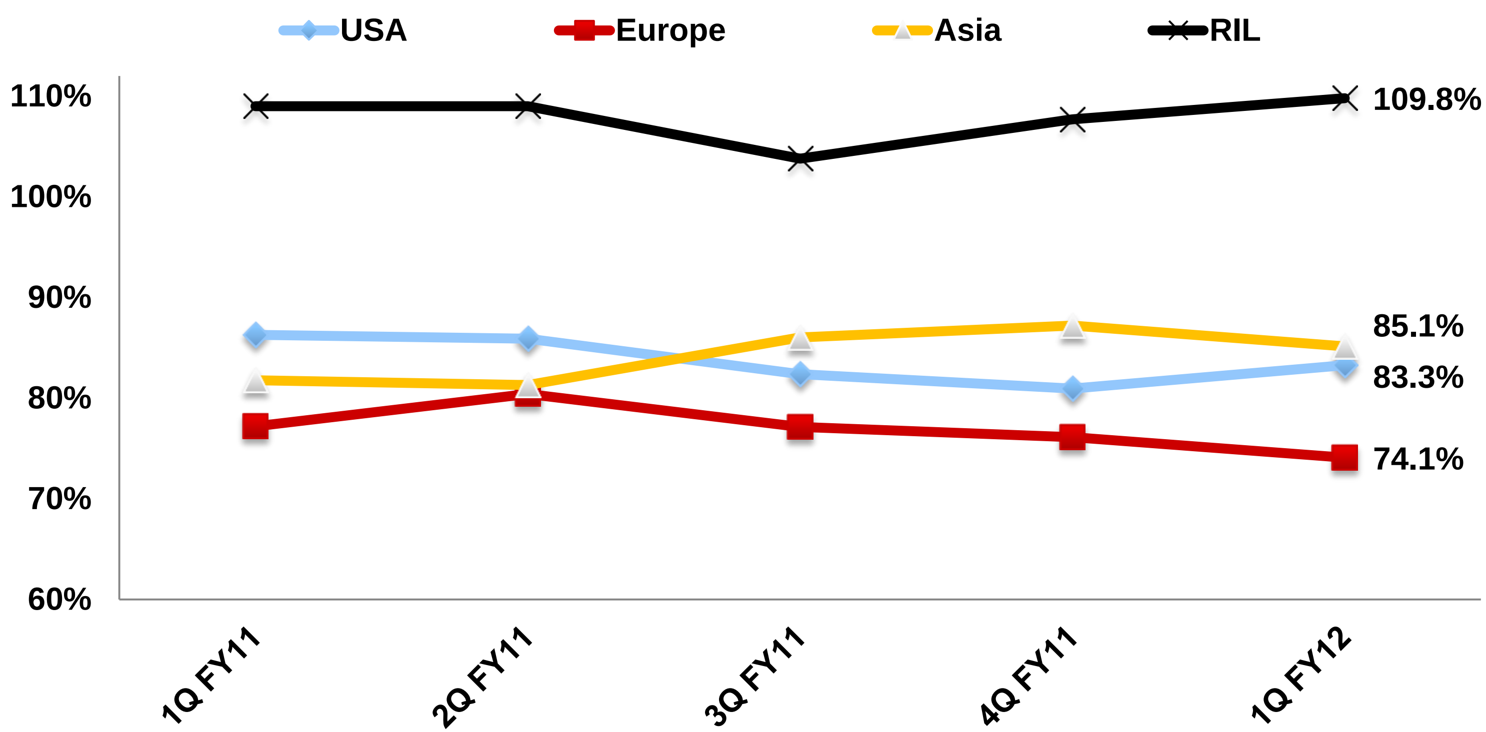
Underperforming solids - Petcoke and Sulphur



Source: Platts

Price change for solid products, even more so for the high-volume pet-coke have not kept pace with increase in crude prices, thereby impacting complex refinery margins

Refinery Operating Rates



RIL achieves its highest ever operating rate at 110%

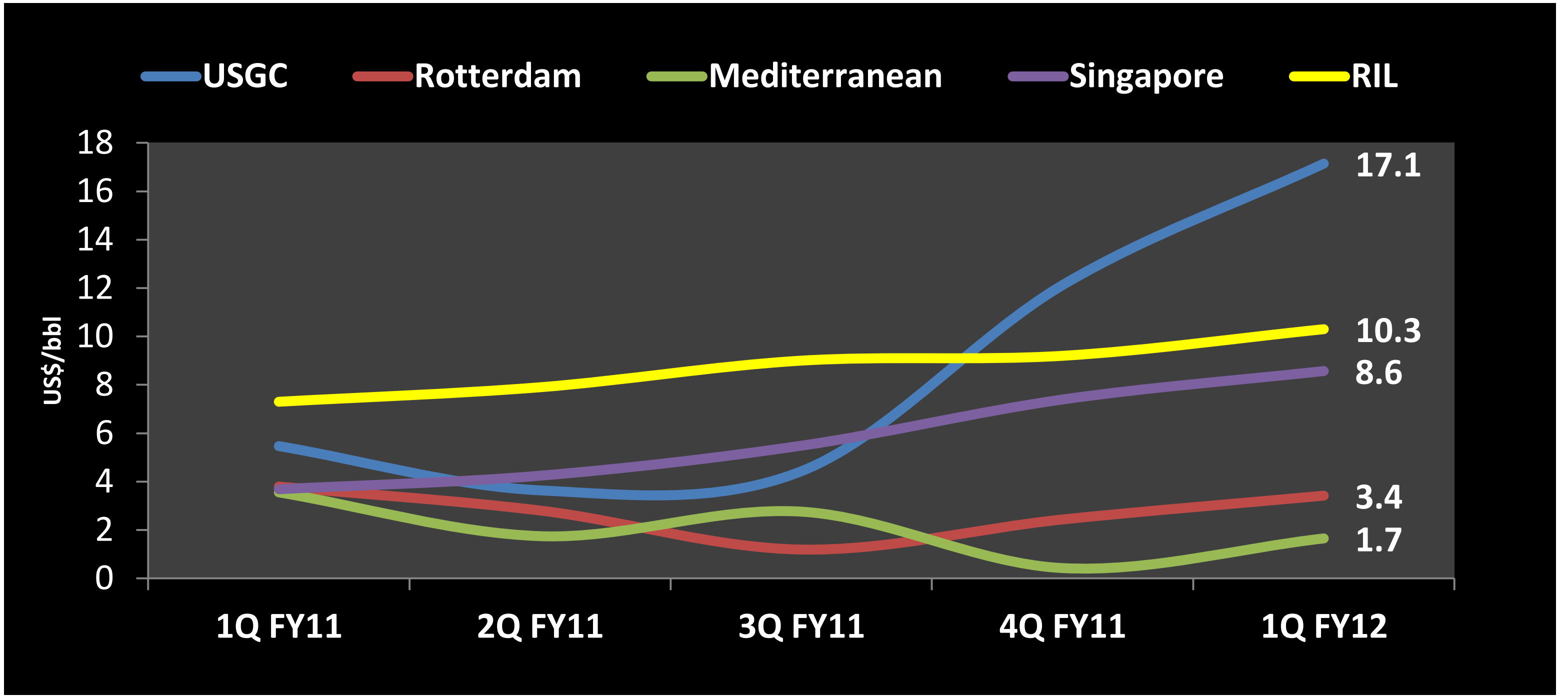
Operating rates in Europe and Asia remained subdued - improvement seen in US

RIL Business Highlights

- GRM of $ 10.30 /bbl for the quarter consistently outperforming regional benchmarks
- Achieved its highest ever quarterly crude processing at 17 Million Tonnes reflecting an operating rate of 110%
- Export volumes at 10.37 Million Tonnes across geographies
- Domestic sales (including captive) accounts for 40% of total sales

Meaningful impact to growth in RIL's EBITDA with operating rates at all-time high and GRM crossing $10 /bbl

Margin Benchmarking



Source: Reuters

- Wide variation in regional crude benchmarks resulting in deviations in regional refining margins
- Strong product cracks, especially middle distillates strengthen Asian refining margins – Singapore complex achieves its near-highest in the past 5 years
- US mid-continent refiners benefitting from bottle-necked crude inventories around Cushing

Refinery Product Sales

(Unit in KT)	1Q FY12	1Q FY11	% change	4Q 10-11
PSU	2,649	2,917	-9%	2,464
Exports	10,370	9,564	8%	10,086
Captive	2,548	2,248	13%	2,046
Domestic (Bulk + Retail + Industrial)	1,694	1,589	7%	1,580
Total – Refinery Sales	17,261	16,318	6%	16,176
Inter Refinery Sales	1,263	1,104	14%	1,232

- Record production from SEZ refinery results in higher exports
- Lower availability of C2/C3 from ONGC resulted in higher captive consumption of propane
- Internal consumption also increased due to higher supply of naphtha to fully-operational crackers (as against shut-downs in 1Q FY11)

GAPCO

Segment	Sales ('000 KL) Apr – Jun 11
Retail	44
Reseller	68
Industrial	52
Exports / High Seas	170
TOTAL	**334**

Product	Sales ('000 KL) Apr – Jun 11
Gasoline	106
Gasoil	123
Jet / Kerosene	61
Others	44
TOTAL	**334**

Performance Highlights	Apr – Jun 11 ($ Mn)
Sales Volume (TKL)	334
Sales Revenue	324
Gross Margin	14
EBITDA	10
PBT	8

Significant improvement in sales realization and profitability

Petrochemicals

Polymers

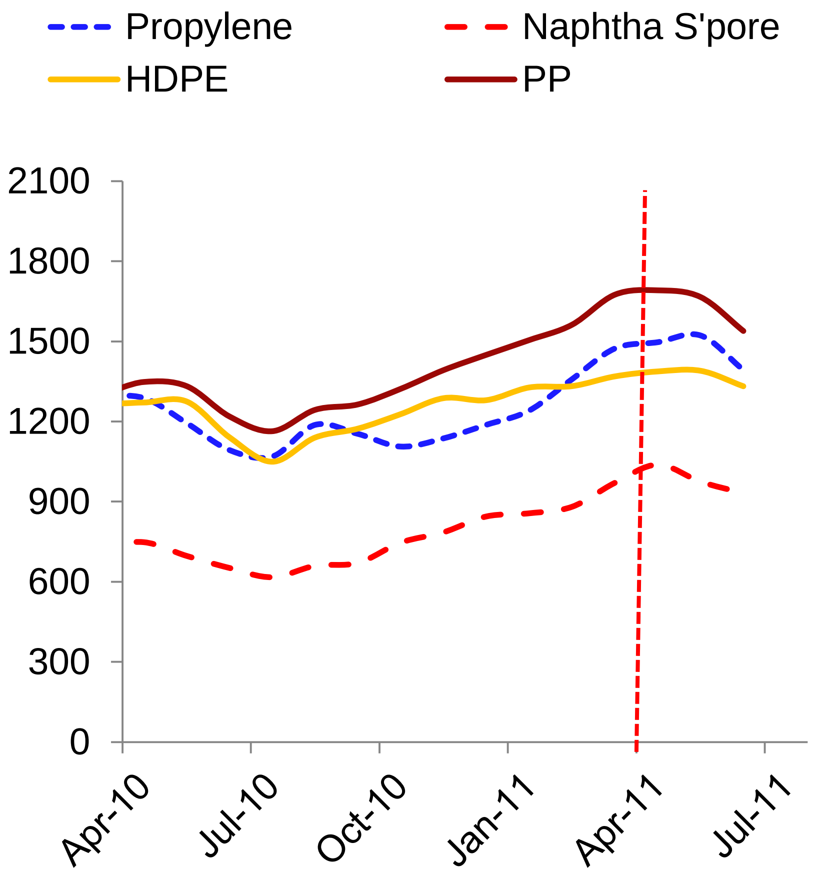
Global Ethylene Capacity Additions

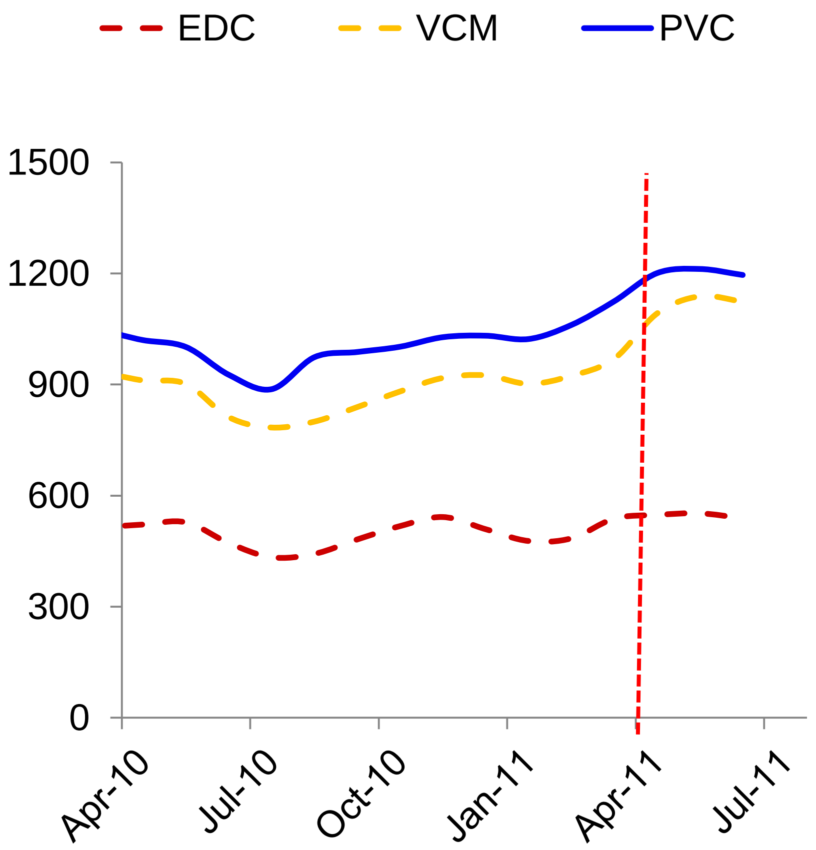
- Net capacity addition in 2010 was~11 MMT (8.4% of global capacity). There is no new cracker start-up planned in 2011
- New capacity additions in 2012 is 2.4% of global capacity
- Incremental capacity additions during 2012-15 will be around 2.9% per annum of global capacity
  - Limited availability of low cost gas feedstock in Middle East (~ 5.2 Million MT)
  - New development in methanol to ethylene (~ 2.2 MMT, mainly China)
- New announced shale gas based ethane crackers in NA post 2017

Source:CMAI

Limited capacity addition restricted by oversupply and lack of low cost feedstock

Polymer Price Trend

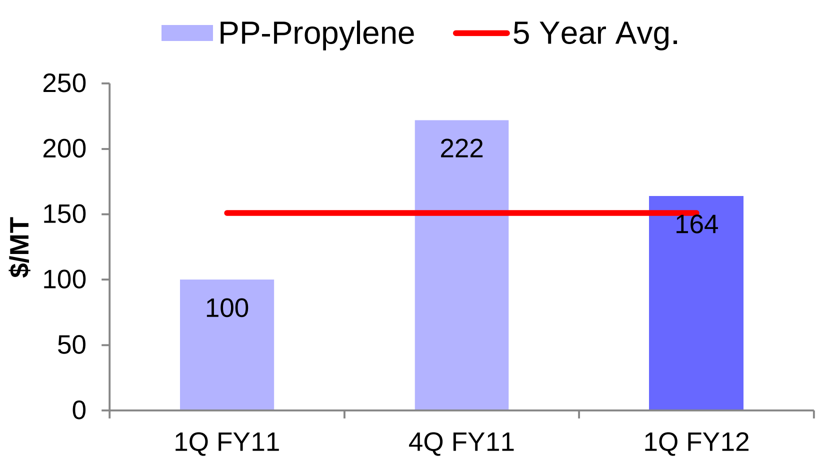


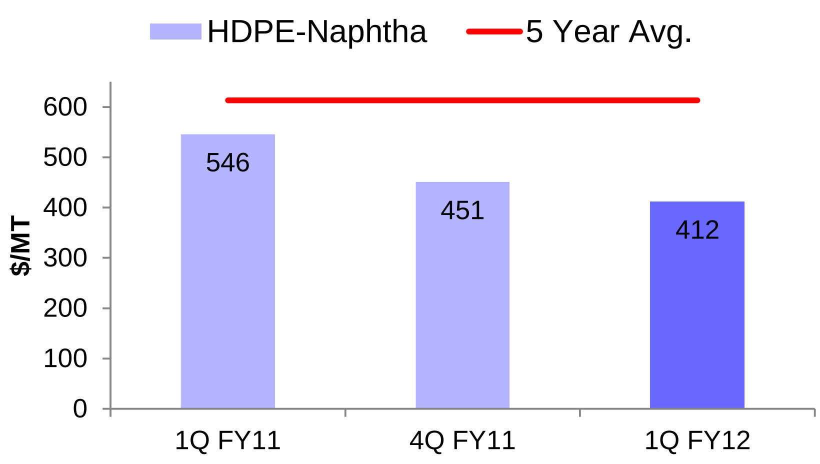


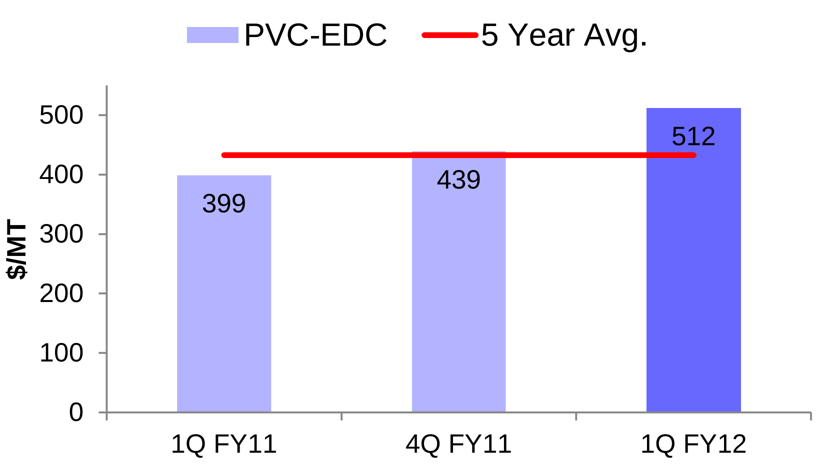
Source: Platt's; Unit: $/MT

Polyolefins prices softened due to improved ME supplies and demand slowdown in China coupled with inventory destocking

Polymer Deltas – 1Q FY12



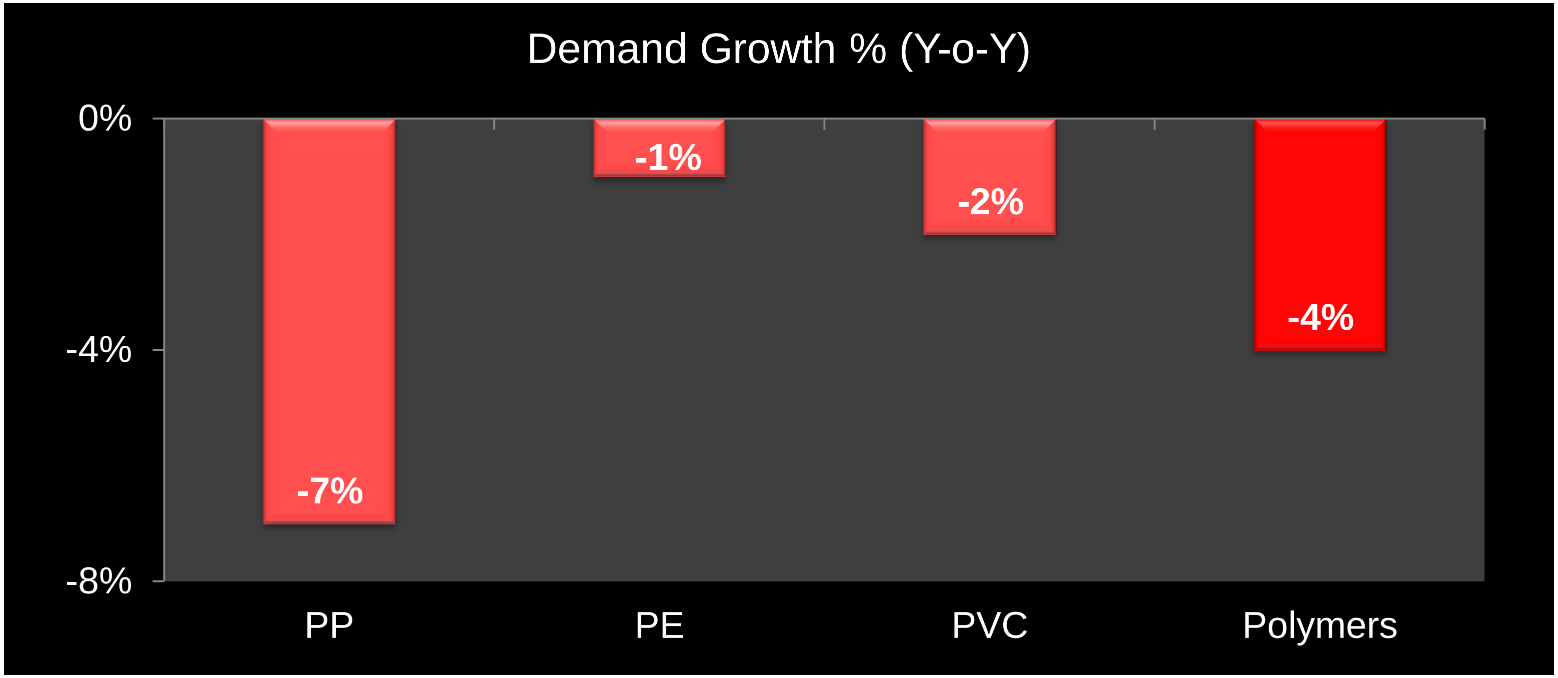




Prices Source: Platt's CFR SEA

- On a Q-o-Q and Y-o-Y basis, naphtha prices were up 8% and 41% respectively while PE prices were up 3% and 12% respectively thereby impacting PE margins
- On a Q-o-Q basis, PP margin was lower due to higher feedstock prices and reduced demand in India and China
- Shut down in Japan and Taiwan restricted supply thereby improving PVC-EDC spread

Domestic Demand - Polymers



- Volatile price environment resulting in low inventory and de-stocking - customers buying only on a need-to-use basis
- Price volatility also resulted in destocking in China; consequently, polymer products showed a de-growth of 4.5% in China on a Y-o-Y basis (PE ↓6%; PP ↓4.8% and PVC ↓2%)
- RIL mitigated lower demand by increasing exports and vastly improving inventory management

RIL- Operating Performance 1Q FY12

- Polymer production was at 1.1 MMT:
  - up 17% on a Y-o-Y basis (last year's maintenance turn-around effect)
  - up 13% against 4Q FY11 (due to higher PP production)
- Achieved a cracker operating rate of 97% as compared to 1Q FY11 operating rate of 77%
- As compared to a domestic industry sales de-growth of 4%, RIL increased sales by 2% improving its market share of PP, PE, PVC by 3% to 49%
- Exports (mainly PP) was at 248 KT, an increase of 81% on a Y-o-Y basis

RIL continue to perform in difficult market conditions with increase in key production & sales parameters

RIL Business Performance

- RIL polymer market share ~ 49%;
  - PP 72%
  - HDPE 34%
  - LDPE 62%
  - PVC 35%
- PE production increased by 36% (turnaround of crackers at Hazira, Nagothane and Gandhar in the same period last year)

Polymer Production in KT		
Product	1Q FY12	1Q FY11
PP	690	595
PE	257	189
PVC	144	148
Total	1,091	932

RIL operated at full capacity utilization at all its manufacturing locations

Petrochemicals

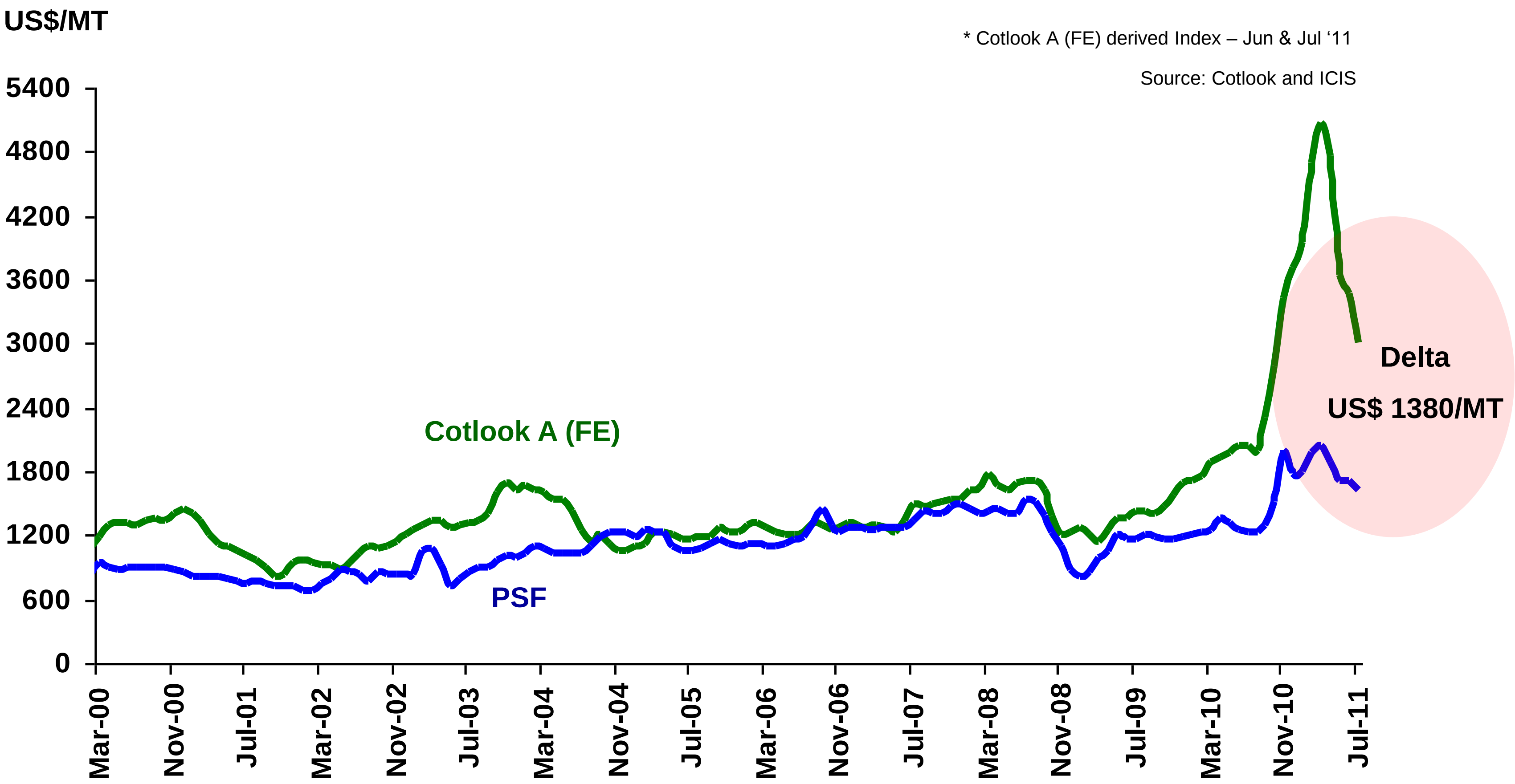
Polyester and Fibre Intermediates

Business Environment: 1Q FY12

- Global economy continues to expand, however, higher interest rate regime in Asia (as a consequence of inflation) impacting demand
- Domestic textile and polyester demand impacted due to volatile markets
- Various unplanned supply disruptions across polyester chain globally
- Polyester chain delta continues to trade above long-term average
- Cotton markets remain highly volatile; global cotton prices lower by 13% on a Q-o-Q basis

With cotton prices being higher than polyester, substitution of natural fibers with polyester continues

Global Cotton and PSF Prices



High cotton prices favouring polyester

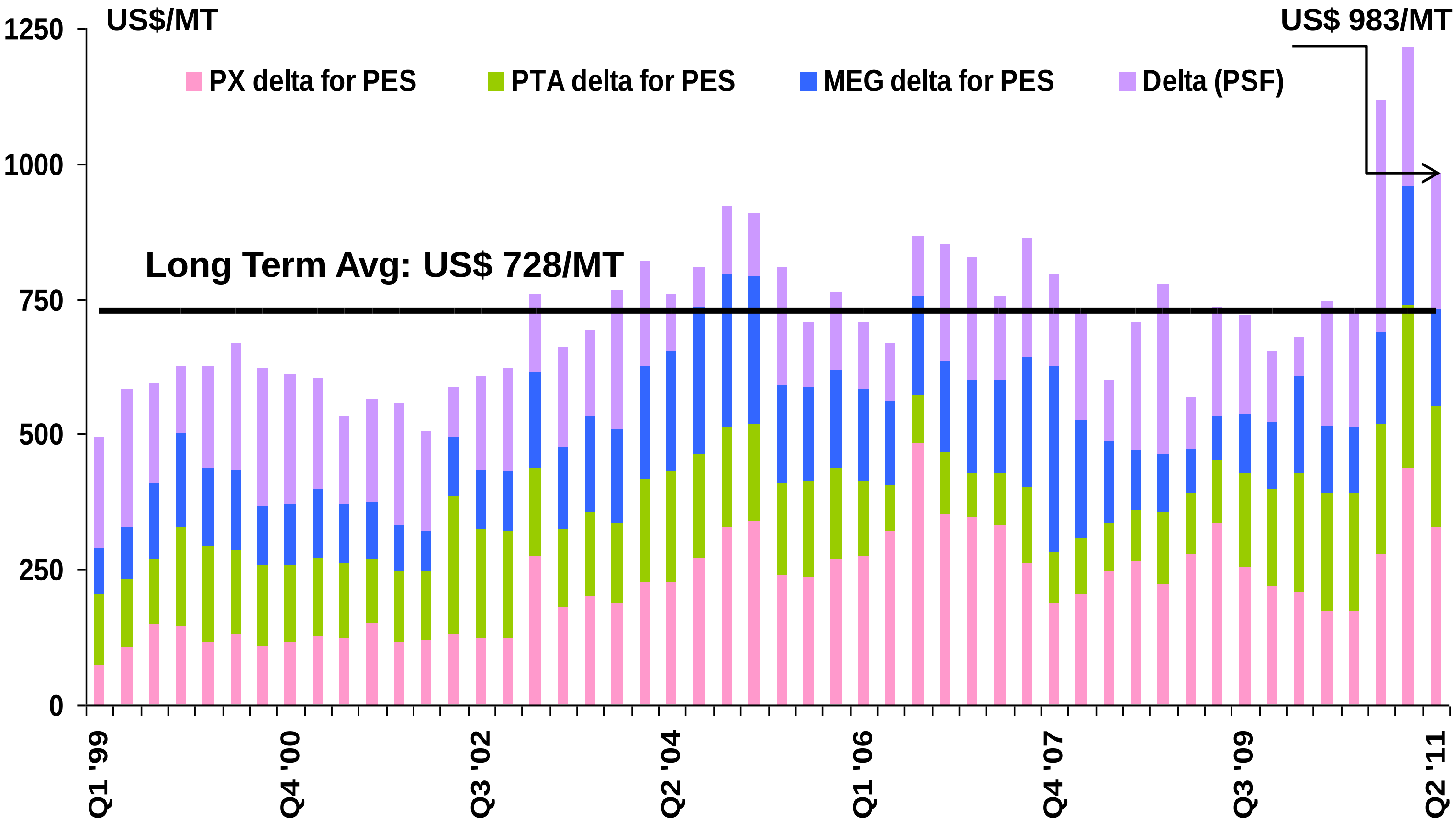
Global Price Movement

Asia $/MT	1Q FY11	4Q FY11	1Q FY12	% Change (1Q vs 4Q)	% Change (1Q vs 1Q)
Crude Oil ($/bbl)	78	101	111	10%	42%
Naphtha	681	885	958	8%	41%
PX	1007	1543	1598	4%	59%
PTA	902	1431	1272	-11%	41%
MEG	818	1207	1153	-4%	41%
POY	1450	1972	1893	-4%	31%
PSF	1305	1955	1795	-8%	38%
PET	1264	1779	1698	-5%	34%

Source: Opec, ICIS, Platts, PCI

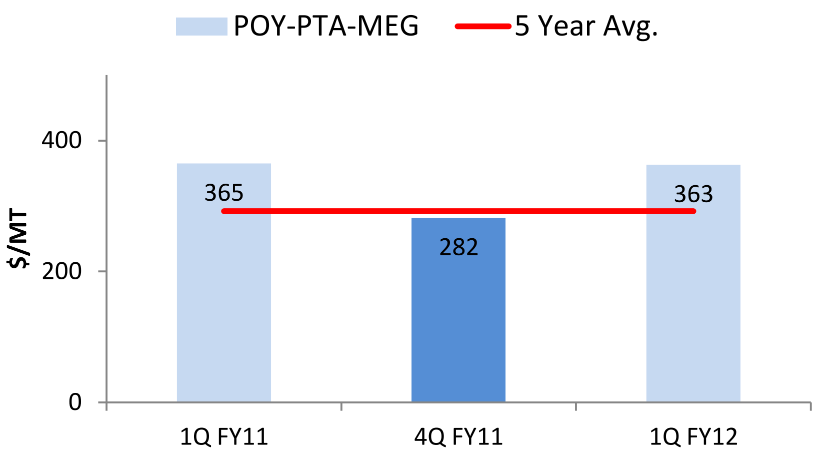
On a Y-o-Y basis, stand-alone producers benefitted as increase in feedstock prices were adequately passed on by polyester producers; however, on a Q-o-Q basis, integrated producers benefitted due to firmness in PX

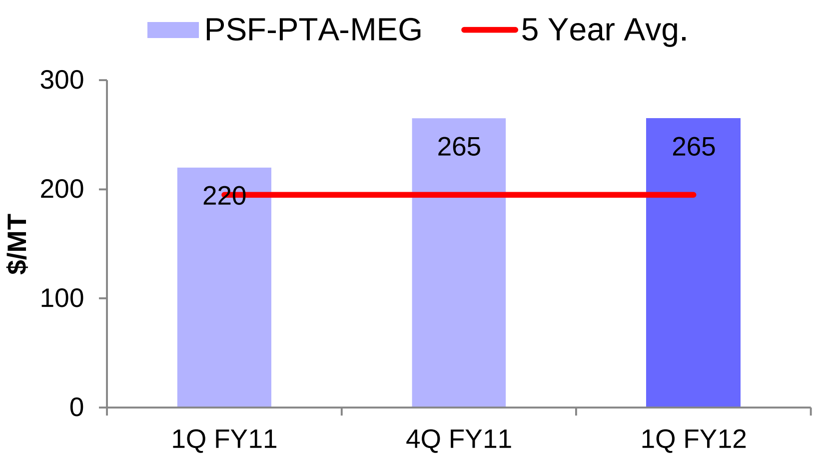
Polyester Chain Delta



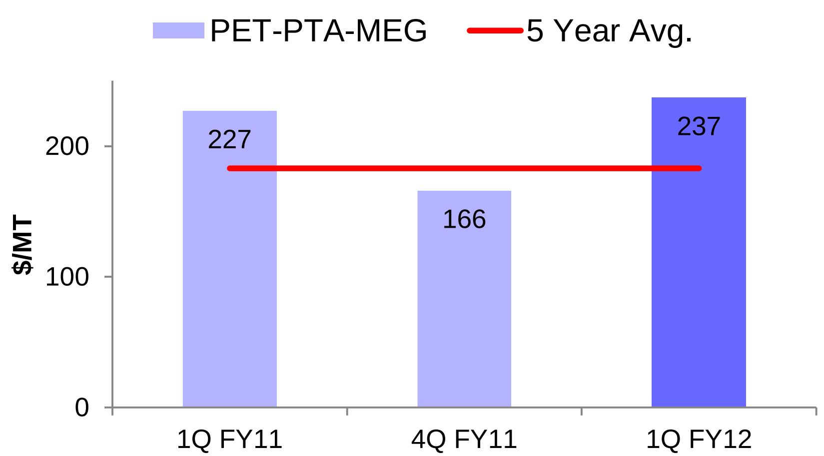
Polyester chain delta up 35% over the long-term average

Polyester Margin Environment



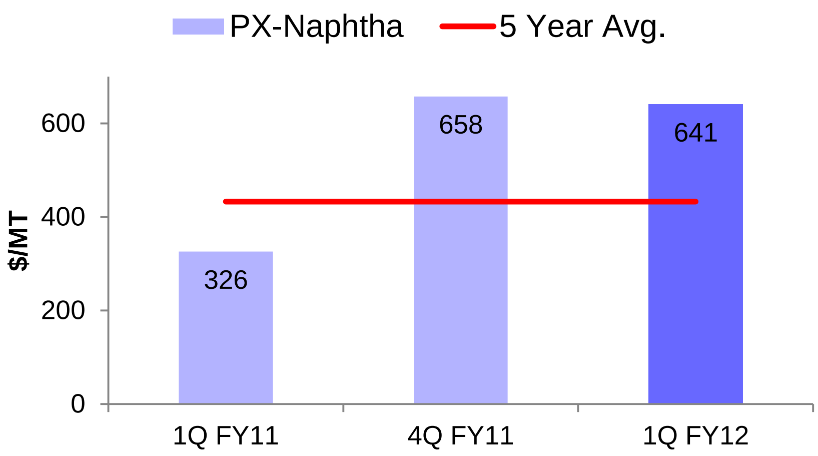


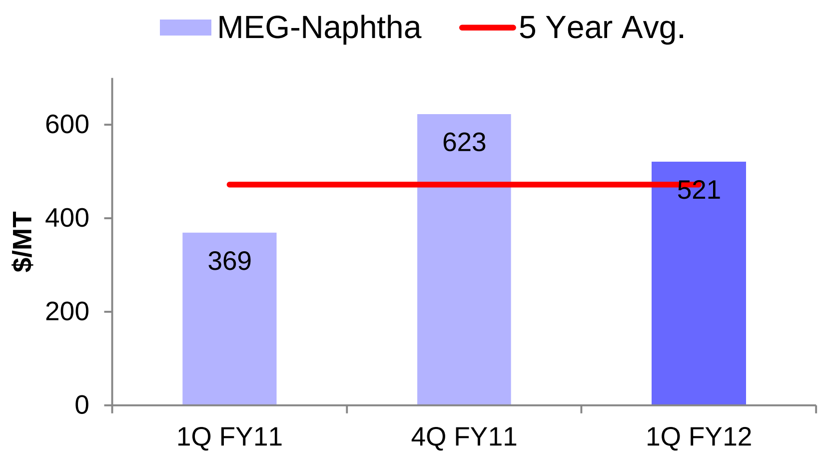
Source: ICIS, PCI

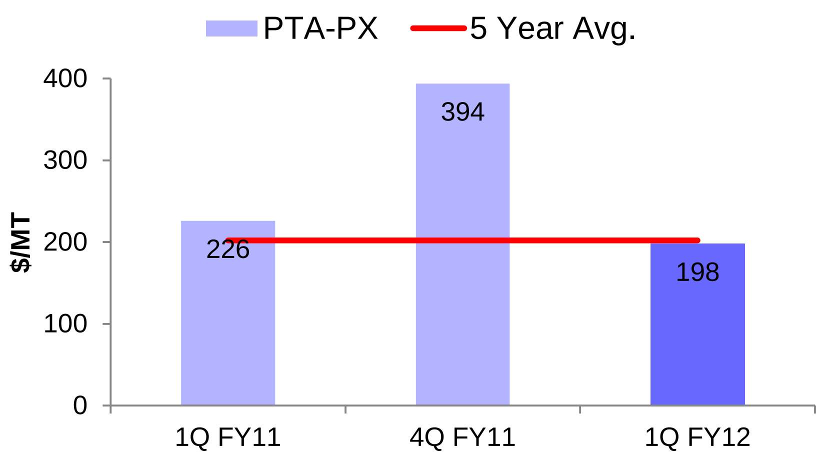


Average increase in quarterly polyester prices was higher than those for fiber intermediates; leading to improved polyester product deltas

Fibre Intermediates Margin Environment



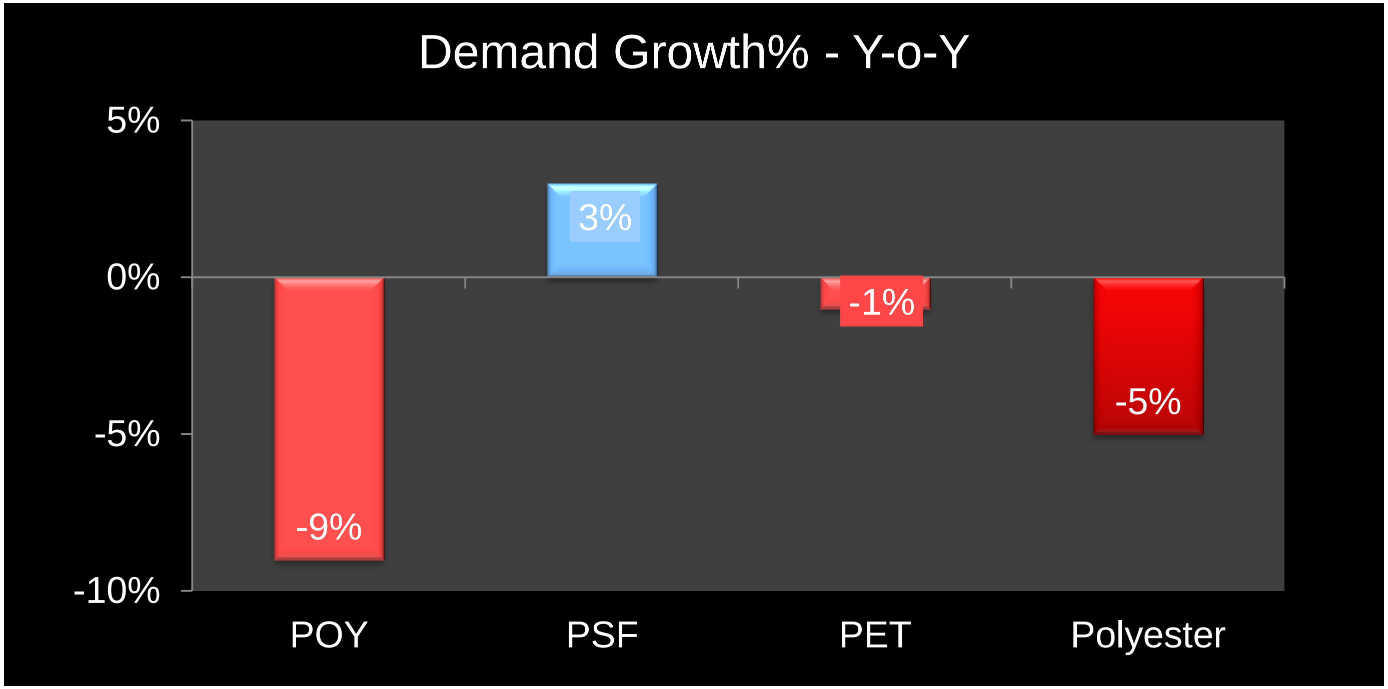




Source: ICIS, Platts

- Supply constraint in MEG (Taiwanese shutdown) and tight demand-supply in PX resulted in improved deltas
- On a Q-o-Q basis, capacity addition in China resulted in subdued PTA delta

Domestic Polyester Growth: 1Q FY11



- Destocking and cautious buying at the downstream industry level due to heightened price volatility
- RIL mitigated the domestic market scenario through increased exports: POY exports were up 7% on a Y-o-Y basis while PET exports increased by 29%

Recron Malaysia Update: 1Q FY 12

US$ Mn	1Q FY 12	1Q FY 11	Change
Revenue	311	255	22%
EBIDTA	16	15	6%
Net Profit	11.3	9.8	15%

Exch Rate 1Q FY 12: RM 3.0205 / US$
1Q FY 11: RM 3.2575 / US$

- Consistent operating performance and profitability across all products
  - 1Q FY 12 revenues up 22% Y-o-Y; net profit up 15% Y-o-Y
- Dominant volume placement in exports – 90% share
- Enjoys 60% domestic market share in grey fabric, PET and DTY

RIL Business Performance

- RIL polyester market share ~ 40%
  - POY 29%
  - PSF 62%
  - PET 48%
- Total polyester production declined marginally by 2%
- Fibre intermediates production increased by 12% (planned turnaround of PX facility at Jamnagar and Patalganga same time last year

Polyester Production in KT		
Product	1Q FY12	1Q FY11
POY	172	183
PSF	151	153
PET	88	86
Total	411	422

FID Production in KT		
Product	1Q FY12	1Q FY11
PX	509	428
PTA	529	491
MEG	174	160
Total	1,212	1,079

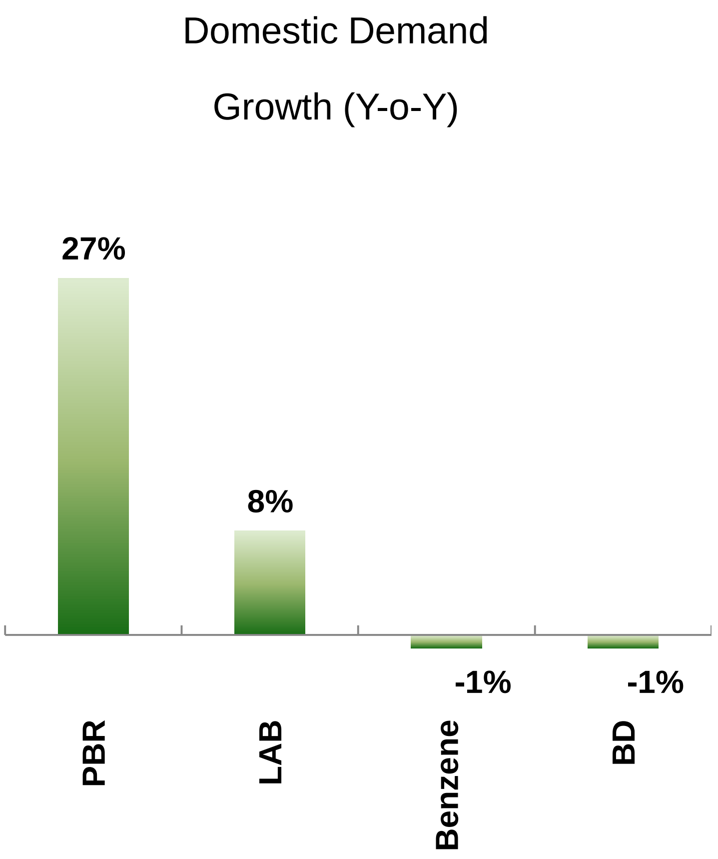
RIL maintained high operating rates and its leadership position in the domestic market

Petrochemical Sector

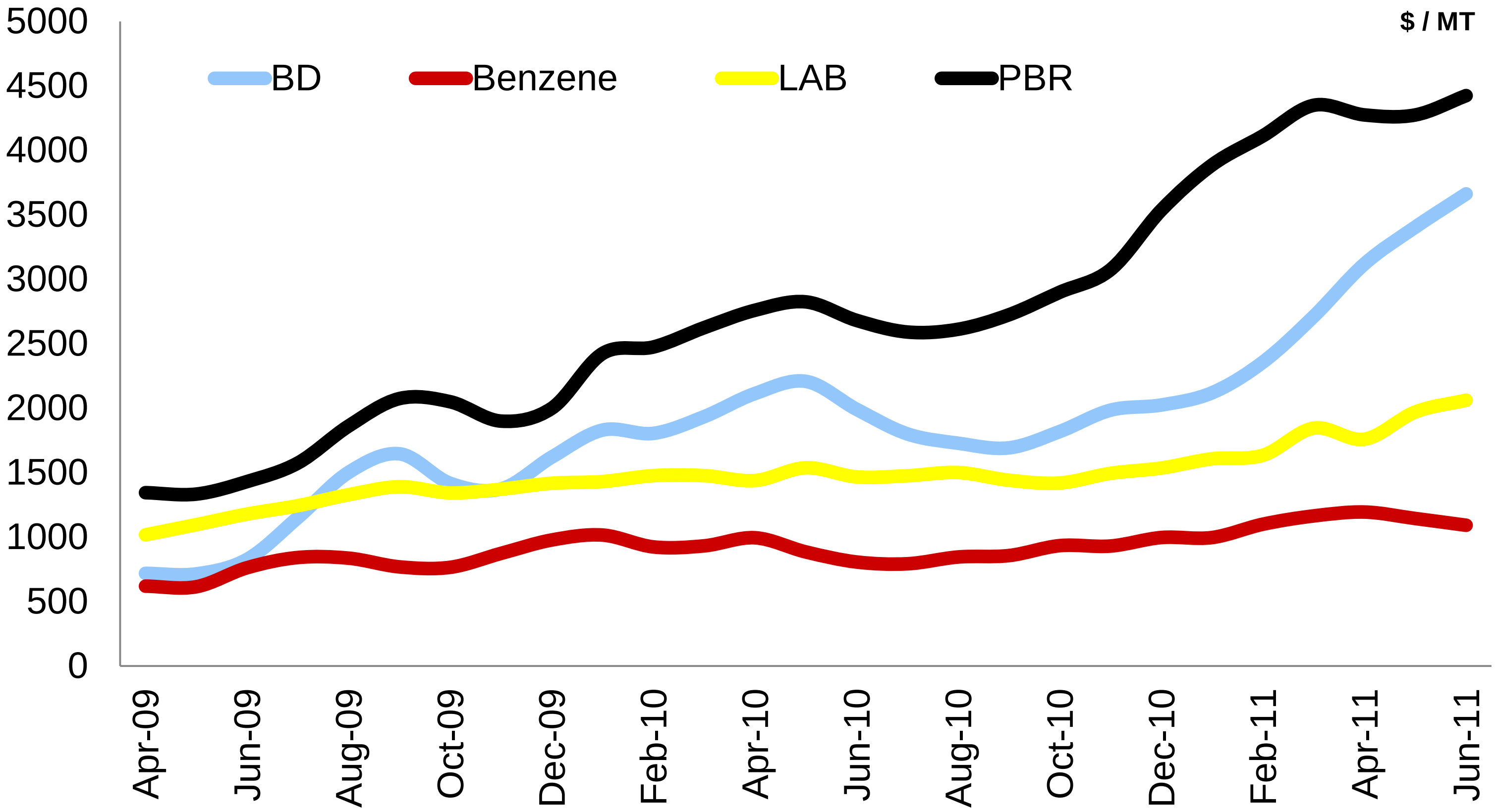
Chemicals

RIL Chemical Business Performance

- Prices of PBR remains high due to demand pull & high cost of butadiene feed stock
  - Demand of PBR continues to be driven by auto industry both in OEM and replacement markets
- Despite higher imports, domestic demand for LAB remained strong
- Increase in domestic capacity in Benzene together with a surplus Asia resulted in higher exports

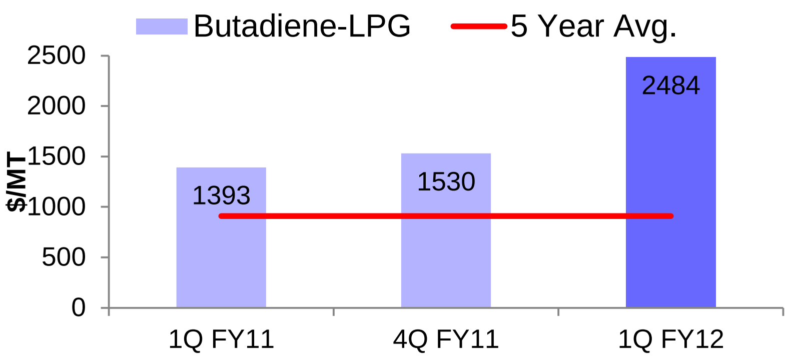


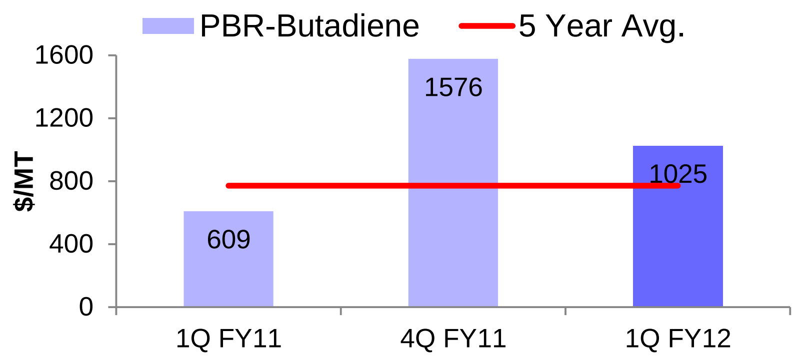
Chemicals Price Trend

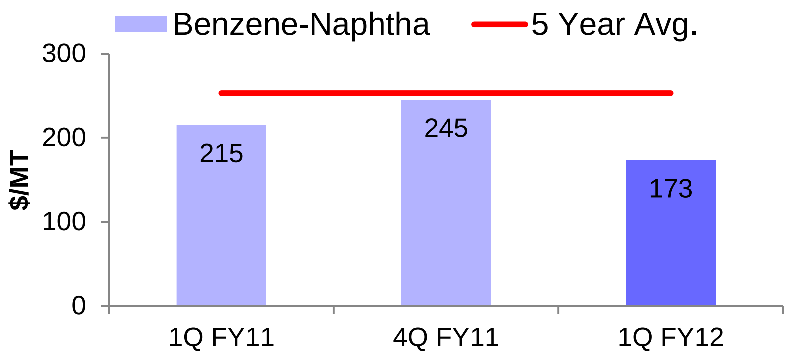


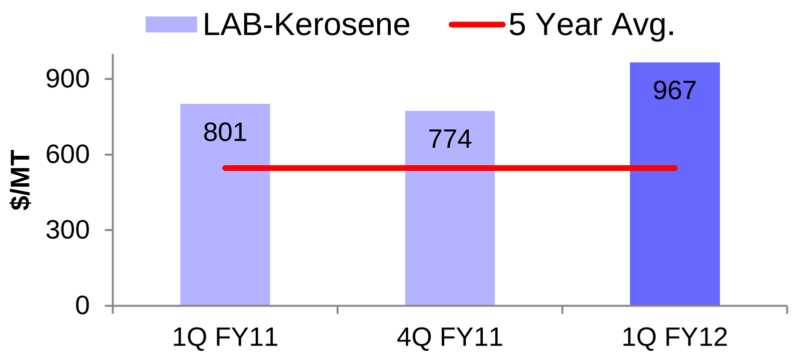
Asian chemical prices remains strong during the quarter; PBR and Butadiene prices remains very strong due to supply constraint.

Chemical Deltas









Benzene-naphtha delta was under pressure as the prices of naphtha rose (up 41% Y-o-Y) faster while Benzene prices (up 26% Y-o-Y) did not increase proportionately. Asian markets remained surplus in Benzene

Chemical Business Environment

- PBR demand remains healthy due to higher demand from tyre industry
- Tight supply in butadiene resulting in sharp price increase worldwide
- Benzene prices fluctuated in line with crude oil prices
- LAB continues to grow steadily as demand for synthetic detergent grew
- Tsunami severely affected export-oriented caustic plants in Japan leading to firming of prices in the international markets

RIL achieves strong performance

Summary

Summary

- Positive margin outlook for refining with global oil demand expected to grow at 1.2 million barrels per day – growth driven by transportation fuels
- Stable to improving margin environment in petrochemicals as India continues to remain deficit in key products
  - Investment program of $ 10-12 billion to cater to domestic market
- Domestic E&P strategy to be finalised in partnership with BP
- Exceptionally strong balance sheet with strong liquidity

RIL is uniquely positioned to pursue organic and inorganic growth opportunities to meet its growth aspirations

Thank You