Reliance Industries Limited

Growth is Life

1Q FY 2012-13 Financial Results

20 July 2012

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 FY13 Performance Highlights

- At $ 7.6 /bbl, RIL continued to achieve top decile GRM vis-à-vis global and Asian peers – operated at 111% and achieved a record crude throughput of 17.3 MMT
- Despite strong demand, polyester chain performance impacted due to high inventories and volatility in cotton prices
  - On a Y-o-Y basis, weakness in PP-Propylene delta drag down polymer performance
- Significant improvement in Reliance's share of gross production in the US shale JVs, up 18% on a Q-o-Q basis at 22.09 BCFe
- Meaningful progress in new projects in R&M and Petrochemicals – increasing visibility on margin and volume upside
- Developing a value creation plan for achieving production of 60 MMSCMD from the existing domestic portfolio
- RIL's 2012-13 share buy-back program become India's largest ever

Financial Results

Financial Results – 1Q FY13

1Q FY12	4Q FY12	(in ₹ Crore)	1Q FY13	% Change 1Q vs 4Q	% Change 1Q vs 1Q
83,689	87,833	Turnover	94,926	8%	13%
6,731	3,904	Profit from Operations	4,313	10%	-36%
11,005	8,859	PBDIT	8,651	-2%	-21%
13.1%	**10.1%**	PBDIT Margin	**9.1%**		
5,661	4,236	Net Profit	4,473	6%	-21%

- Lower PBDIT due to lower GRM (partly offset by marginally higher R&M volume), lower petrochemicals margins and lower E&P production (change in PI plus lower absolute production)

- Higher net profit on a trailing quarter basis due to higher income from operations and deferred tax reversal in the current quarter – this was partly impacted by lower other income

Segment Results – 1Q FY13 vs 1Q FY12

(in ₹ Crore)	1Q FY13	1Q FY12	% change	Sales Variance	
Refining				**Volume**	**Price**
Revenues	**85,383**	73,689	15.9%	0.3%	15.6%
EBIT	**2,151**	3,199	-32.8%		
EBIT (%)	**2.5%**	4.3%			
Petrochemicals					
Revenues	**21,839**	18,366	18.9%	8.1%	10.8%
EBIT	**1,756**	2,215	-20.7%		
EBIT (%)	**8.0%**	12.1%			
Oil and Gas					
Revenues	**2,508**	3,894	-35.6%	-50.1%	14.5%
EBIT	**972**	1,473	-34.0%		
EBIT (%)	**38.8%**	37.8%			

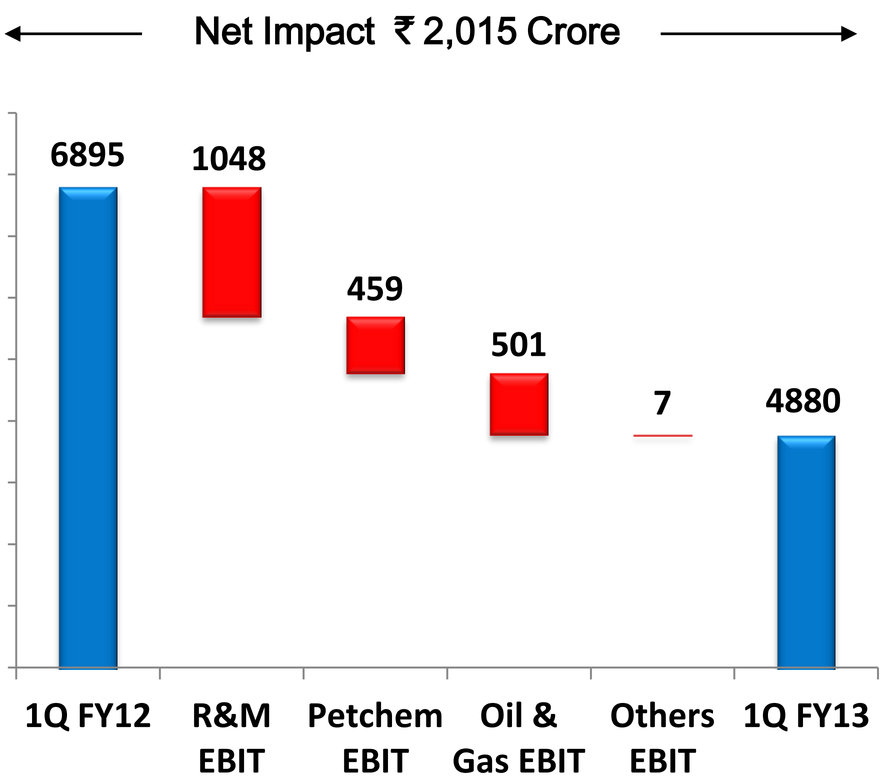
- GRM of $ 7.6 /bbl as against $10.3/bbl in 1Q FY12 resulting in lower refining EBIT
- Lower deltas in polyester chain and PP (which accounts for substantial part of the polymers business) resulting in lower petrochemicals EBIT
- Transfer of 30% PI to BP and lower production resulted in lower Oil & Gas EBIT

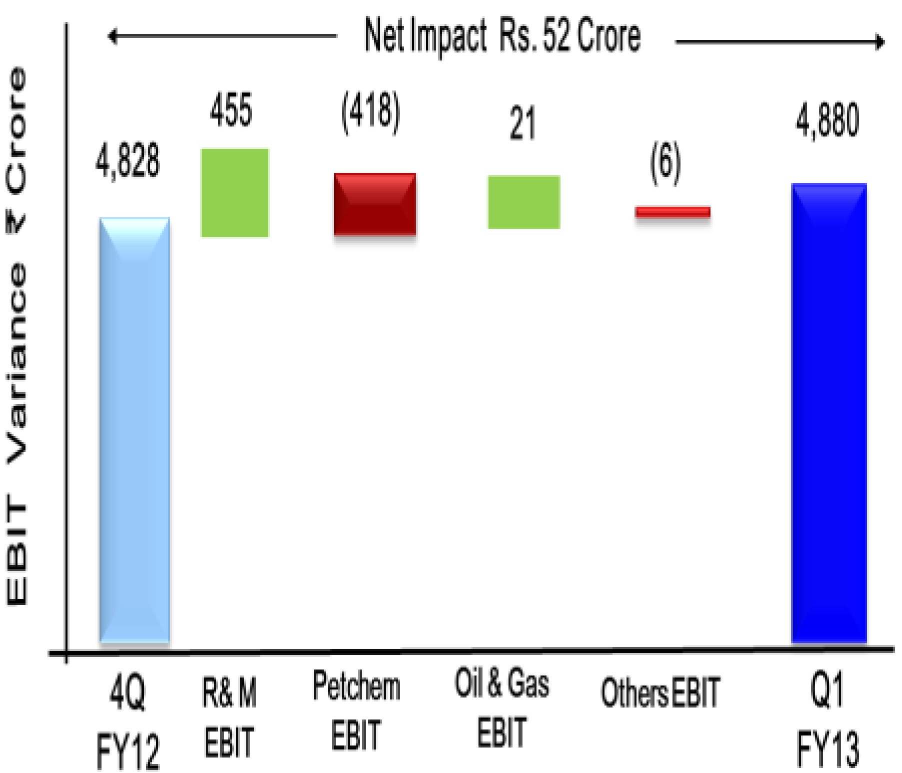
Segment Results – 1Q FY13 vs 4Q FY12

(in ₹ Crore)	1Q FY13	4Q FY12	% change	Sales Variance	
Refining				Volume	Price
Revenues	**85,383**	76,211	12.0%	7.7%	4.3%
EBIT	**2,151**	1,696	26.8%		
EBIT (%)	**2.5%**	2.2%			
Petrochemicals					
Revenues	**21,839**	21,412	2.0%	-4.1%	6.1%
EBIT	**1,756**	2,174	-19.2%		
EBIT (%)	**8.0%**	10.2%			
Oil and Gas					
Revenues	**2,508**	2,609	-3.9%	-10.2%	6.3%
EBIT	**972**	951	2.2%		
EBIT (%)	**38.8%**	36.5%			

- GRM of $ 7.6 /bbl remained flat on a trailing quarter basis - higher EBIT due to higher volume throughput
- Lower deltas in polyester chain resulting in lower petrochemicals EBIT
- Higher EBIT margin in Oil & Gas segment due to higher crude price realization and exchange gains

Segment EBIT Bridge





On a Q-o-Q basis, R&M EBIT improved due to higher operating rate. Oil & Gas EBIT improved partly due to higher oil price realization and exchange gains. On a Y-o-Y basis, lower margins in R&M and Petchem and lower E&P production (PI + D6 volume reduction) impacting EBIT across businesses

Net Profit Bridge

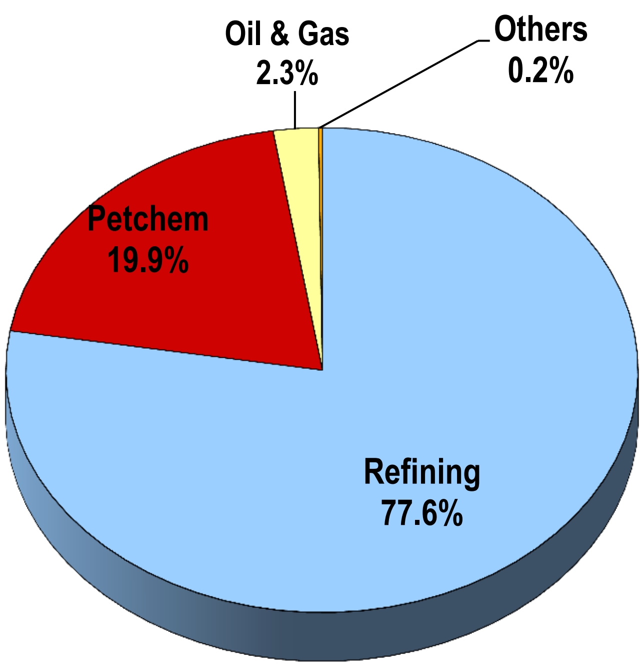
(₹crore)	1Q FY13 vs 1Q FY12	1Q FY13 vs 4Q FY12
Net Profit	**5,661**	**4,236**
Operating Profit	-3,179	184
Other Income	826	-391
Interest	-239	-16
Depreciation	761	225
Tax	643	235
Net Profit	**4,473**	**4,473**

Operating profits have improved on a trailing quarter basis suggestive of an improving earnings profile

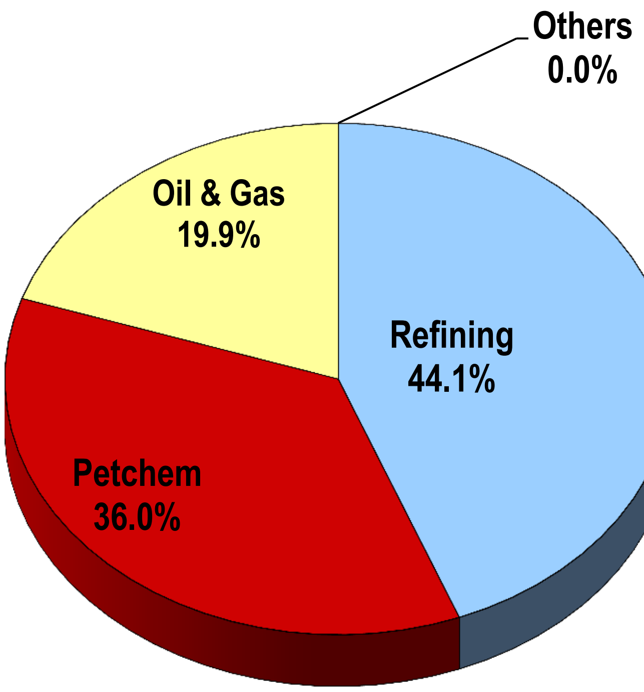
On Y-o-Y basis, tax is lower due to estimated lower tax depreciation as compared to book depreciation

Business Mix – 1Q FY13

Revenues



EBIT



Earnings significantly leveraged to improvement in refining margins

Financial Ratios

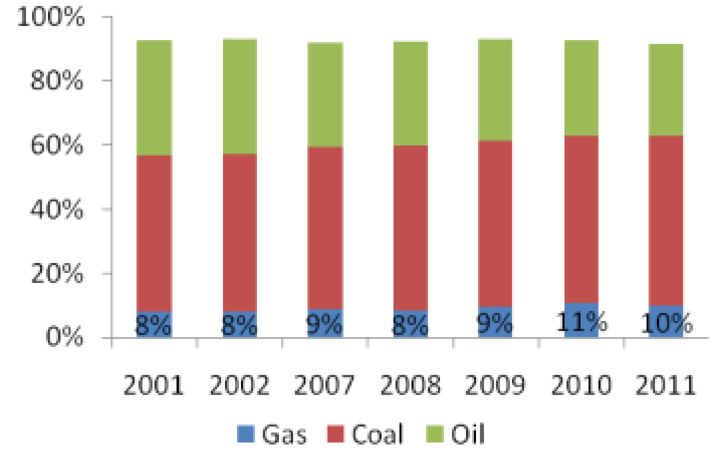
	Jun-12	FY 11-12
Cash Balance (₹ Crore)	70,732	70,252
Net Debt : Equity	0.01	Debt Free
Net Gearing	1.3%	Debt Free
Gross Interest Cover	10.5	12.9
ROCE (%)	10.9%	11.4%
ROE (%) (Adjusted)	10.6%	13.3%

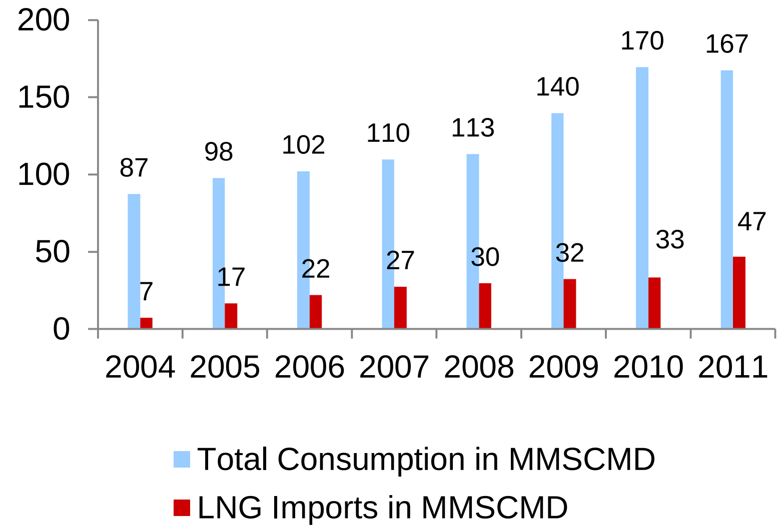
- Cash balance increased marginally despite dividend payout, share buy-back and capital expenditure
- BBB positive outlook by S&P; Baa2 positive outlook by Moody's (both ratings are 1 notch above India's sovereign rating) - domestic debt rated AAA by CRISIL and FITCH
- Weaker margin environment and higher other income impact ROCE and ROE
- Lower cash profit lower impacting gross interest cover

Oil and Gas – Exploration and Production

Business Environment (1/2)

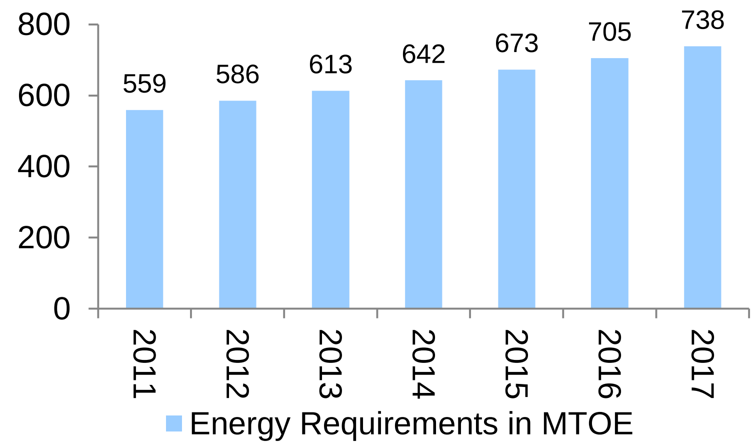
- India has become a gas weighted economy
  - Gas consumption has increased by 131% over the last decade from a low base
  - Gas as a proportion of energy mix increased from 8% to 10% over the last decade
  - Gas has gained at the expense of oil
  - By 2025 gas will account for 20% of India's energy mix
- India commenced LNG imports in 2004 and imports account for 28% of current consumption

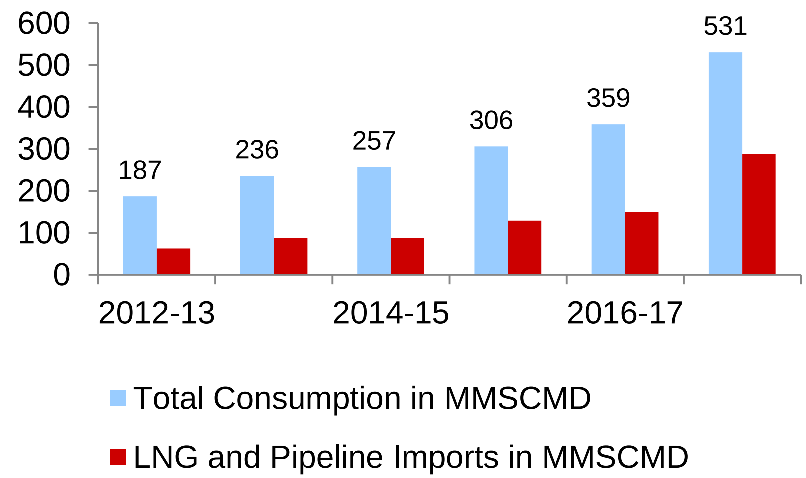




Business Environment (2/2)

- India's energy requirements expected to mirror GDP growth by 2017
  - Expected to increase 30% by end of 12th Plan
  - Increasing energy import dependency - Oil 80%; Gas 41%; Coal 22%
  - Net fossil fuel energy import bill in 2012-13 expected to touch $122 bn
- LNG will account for a nearly 41% of India's domestic gas consumption by end of 12th five year plan
- LNG prices have trebled in the last decade. Moved from $4.6 /MMBTU in 2001 to current rate of $12/MMBTU
- Regulatory issues continue to be a big hurdle in additional investments





Source :MOPNG, Approach Paper to 12th Plan

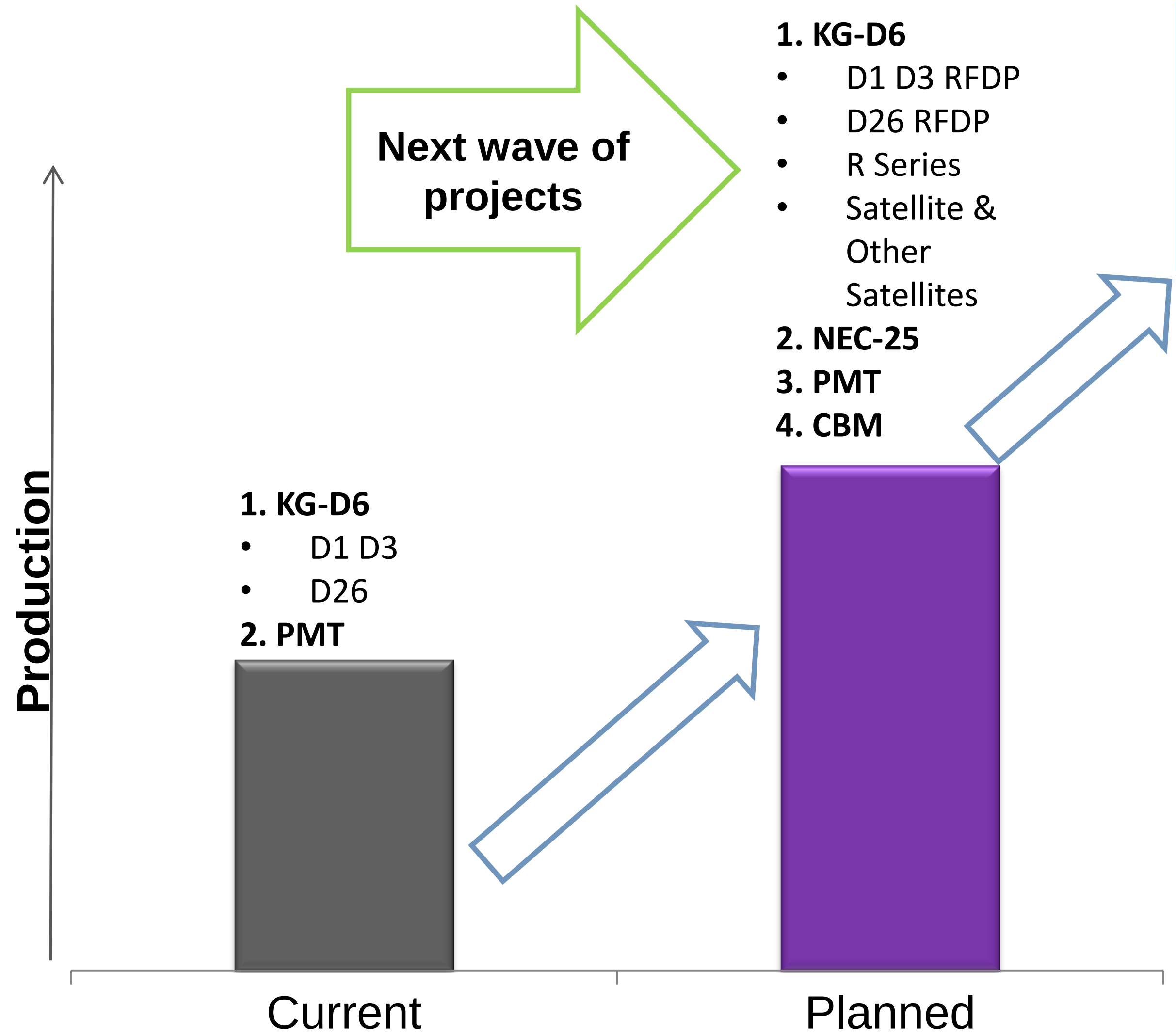
Domestic E&P Production Update

4Q FY12		1Q FY 13	1Q FY 12	% Change
	Panna-Mukta			
2.4	Oil (MMBBL)	**2.2**	2.7	**-18.4%**
17.9	Gas (BCF)	**17.9**	17.6	**1.9%**
	Tapti			
0.2	Oil (MMBBL)	**0.2**	0.3	**-38.8%**
16.7	Gas (BCF)	**13.8**	20.1	**-31.5%**
	KG-D6			
1.1	Oil (MMBBL)	**0.9**	1.4	**-36.7%**
114.9	Gas (BCF)	**104.4**	156.2	**-33.1%**
0.1	Condensate (MMBBL)	**0.1**	0.2	**-30.6%**

Note: Full Production volumes

- KG-D6 production averaged at 33 MMSCMD of gas and 11,420 BOPD of oil/condensate
- Average crude oil price realization improved to $ 100/bbl for KG-D6 and $ 118/ bbl for PMT
- Gas price realization remained at $ 5.73/MMBTU from Panna-Mukta, $ 5.57/MMBTU from Tapti and $ 4.20/MMBTU from KG-D6

Next Wave of Upstream Projects



<u>Exploration Upsides</u>

- KG D6 Undrilled Deeper Segments
- Other KG ,CY & MN Prospects being matured

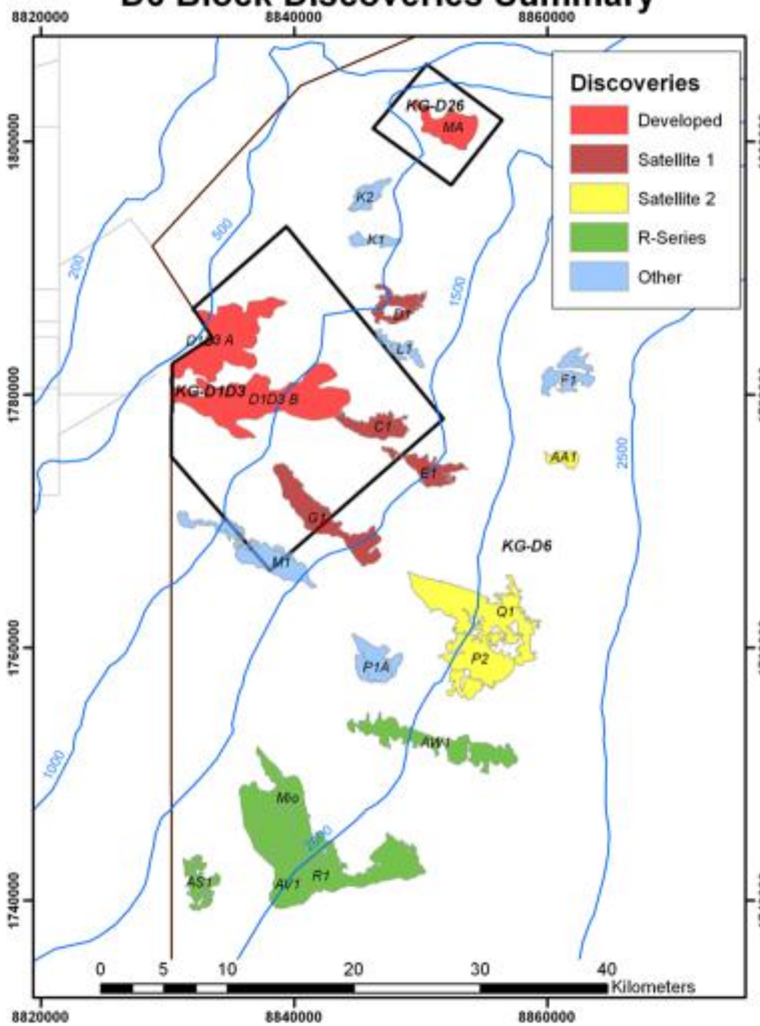
Projections are subject to timely regulatory approvals and market conditions

- Projects being planned for higher production in India over the next 3 to 4 years from approvals
- Exploration drilling campaign to begin in 2013

KG-D6 – Value Creation Plans

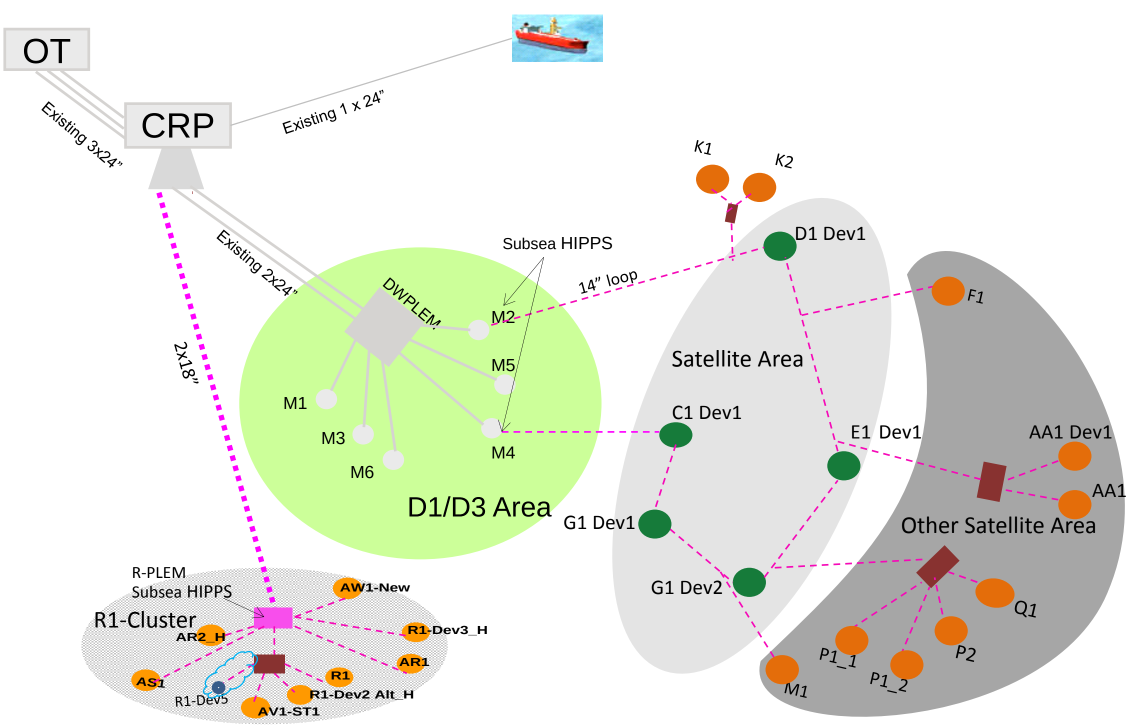
- D1D3
  - Developed & producing since Apr'09
  - RFDP to be submitted in 2Q FY13 to maximize recovery
- D26 (MA)
  - Developed and producing since Sept'08
  - Revised FDP to enhance gas production, submitted in Feb'12 - technical presentation made to DGH
- D34 (R-Series)
  - Commerciality declared post MC review in Feb'12
- Satellite Fields (9 discoveries)
  - FDP submitted in Jul'08
  - Optimized FDP (for 4 discoveries) submitted in Dec'09 and approved in Jan'12
- Other Satellite fields:
  - Commerciality report submitted in Feb'10
  - Declaration of commerciality pending
- Development plans for all satellites – planned for submission in 3Q FY13
- Deeper accumulations

D6 Block Discoveries Summary



Significant resources yet to be developed

Focus on Capital Efficiency

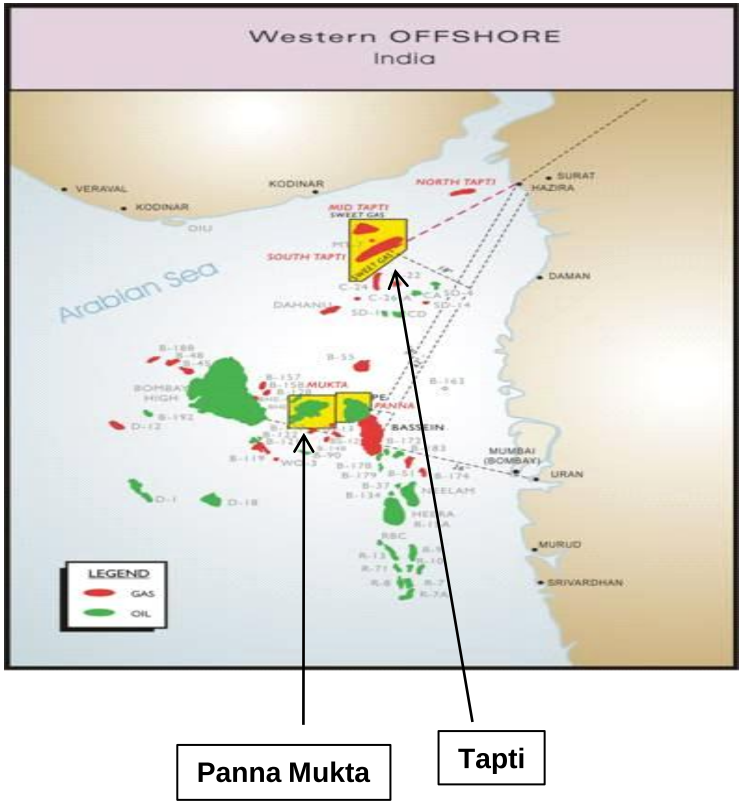


- Available infrastructure will play a key role for many a future development in the block as a 'Hub'
- Commissioning of Satellites and R-Series can further optimize use of the infrastructure as a 'Hub'
  - For Satellite field integration, no offshore facilities required beyond existing manifolds;
  - For R-Series, no offshore facilities needed beyond current CRP platform

Significant cost savings through integration and optimization

Panna Mukta Tapti Update

- PMT JV has achieved the significant milestone of 500 MMBOE of oil and gas production.
- Ongoing Projects
  - Mid Tapti - Three additional ERD wells has commenced. First gas is expected to flow from August 2012
  - South Tapti - infill wells to be drilled later in the year
  - Panna Mukta – PL wells to be drilled next year
- Other initiatives towards future potential upsides projects subject to approvals
  - Water injection project - concept studies in progress
  - Mukta – B Development - FEED awarded and development plan to be submitted by end of the year to Management Committee

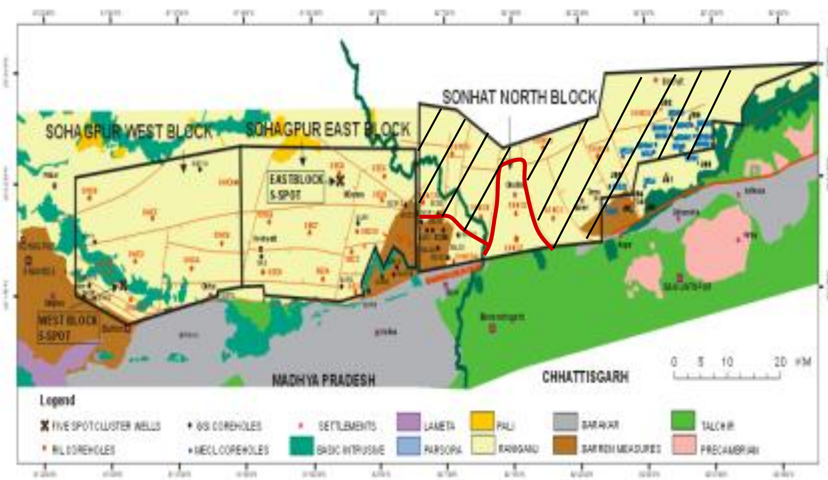


CBM Update

- Till date a total of 97 wells drilled and some are under completion
- Engineering consultants appointed for subsurface and surface facilities design. Expected to complete by end of next quarter
- Land acquisition activities in progress
- CBM pricing approval to be resolved

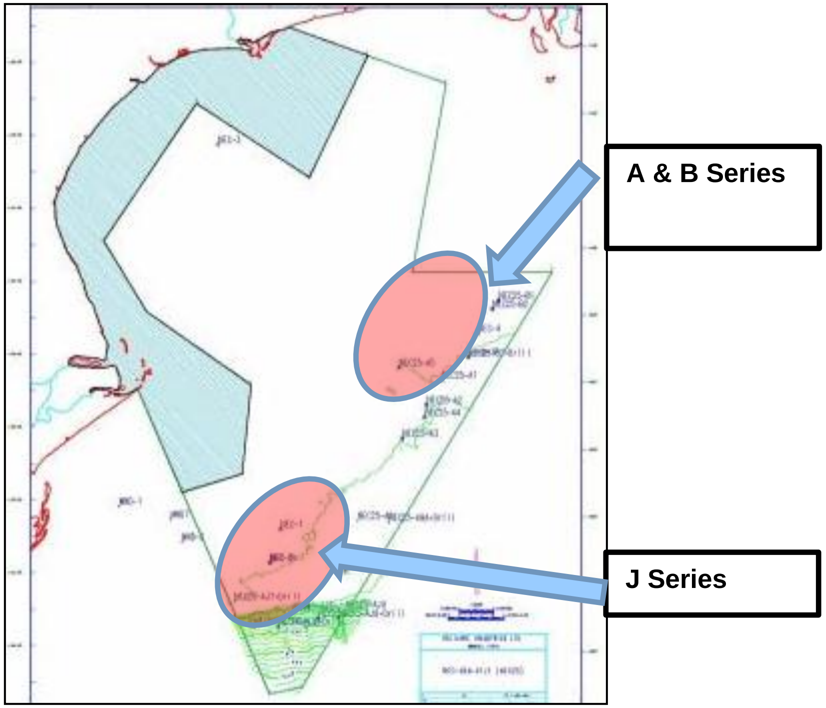
Block Name	(Area Sq. Km)
Sohagpur West	500
Sohagpur East	495
Total	**995**

GEOLOGICAL MAP OF RIL CENTRAL INDIA CBM BLOCKS



NEC-25 Update

- Development Planning
  - Commerciality Declared for two southern discoveries (J series)
  - Conceptual Engineering being targeted for completion by early 4Q FY13
  - Approvals awaited for Engineering Surveys & FEED



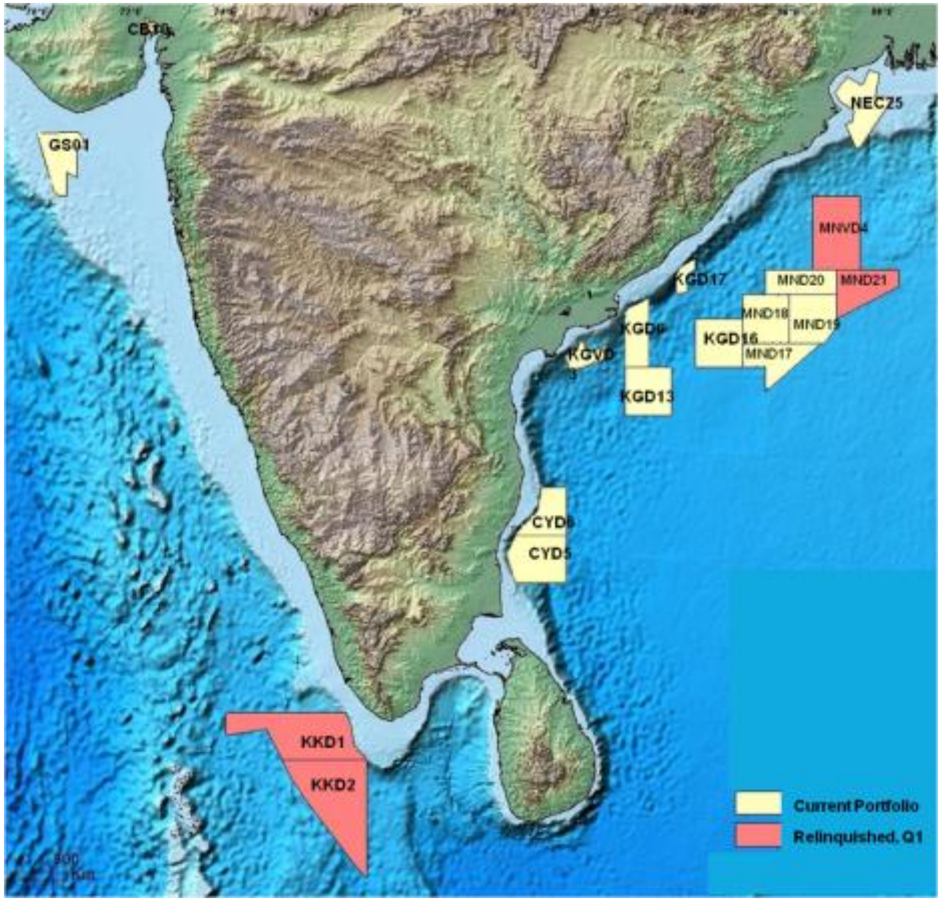
Projects Approval Status

Projects	Plan/Activity	Status
KG-D6	Work Program and Budget FY12 & FY13 submitted to DGH	Approval Pending
D1-D3	Revised Development Plan	To be submitted in 2Q FY13
D26	Revised Development Plan submitted to DGH	Submitted in 4Q FY12; Approval awaited
All Satellites	Development Plan(s)	Engineering surveys and Engineering being undertaken; Development Plan To be submitted in 3Q FY13
NEC-25	DOC for 2 discoveries; Plan for Pre Development Activities submitted to DGH	Commerciality Declared in 4Q FY12 Approval Awaited
CBM	Price discovery submitted to MoPNG	Approval awaited
PMT	Work Program and Budget FY12 & FY13 submitted to DGH	Approval Pending

RIL and its partners look forward to early government approval of the development plans to realize the full potential of the Indian upstream portfolio

Upside Through Exploration initiatives

- Portfolio high gradation underway
  - ‘Bottom up’ rebuild of geological model of Indian basins along with BP Global experts significantly advanced
  - New plays & petroleum systems within deeper sediments identified
  - Prospect inventory buildup underway in KG,CY and MN basins targeting resource accretion
  - Relinquished 4 poor prospectivity blocks in Q1 – MN-V-D4, MN-VI-D21, KK-D1 and KK-D2
- Preparing for commencement of drilling campaign in early 2013 subject to approvals
- First deepwater rig scheduled to be back in Jan-Feb 2013



Summary

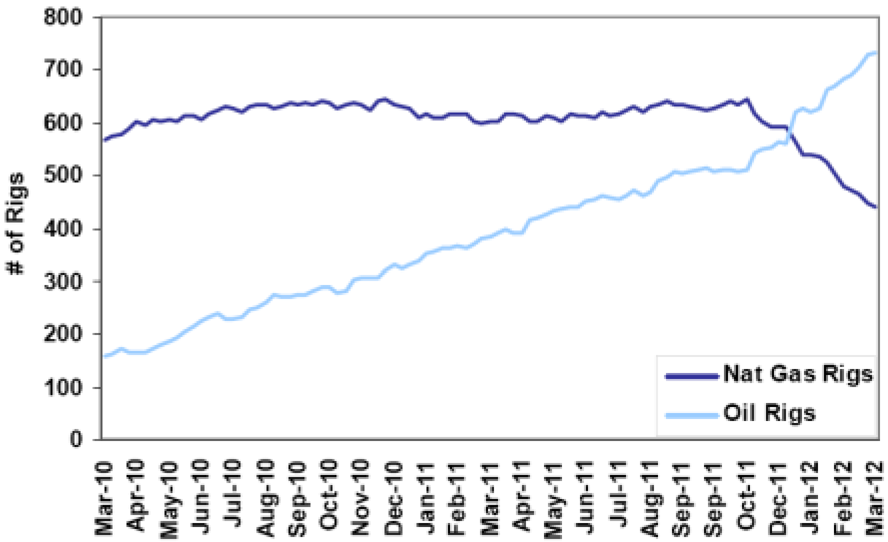
- Significant yet to be developed resource base exists
- Significant efforts by the JV has led to a robust and a low risk projects pipeline
- Geared up to deliver these projects within 3-4 years from Government approvals which includes development plans and gas price
- Exploration upsides being targeted - new plays and petroleum systems conceived
- On track to commence drilling campaigns in 2013, subject to Government approvals

Shale Gas Business Overview

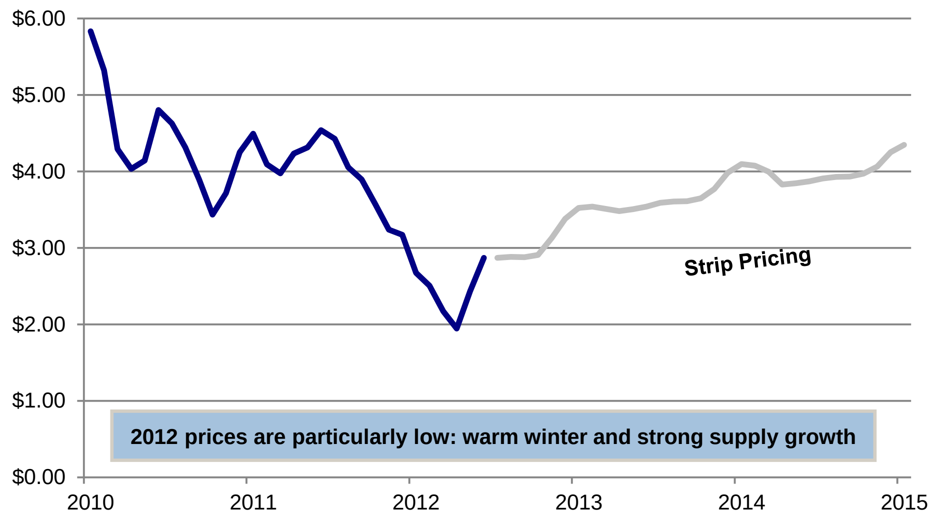
US Gas Price Environment

- US Gas prices recovered from multi-year lows recently
- Price recovery supported by demand from Coal/Gas switching - gas demand from power sector up by 5 Bcf/day in 2012 and is well above 5-year range
- Storage surplus is off its highs and expected to continue to fall in 2H 2012
- Gas rig count down by 34% since October 2011; Likely to bottom in 3Q 2012

Gas Rig Count (1)



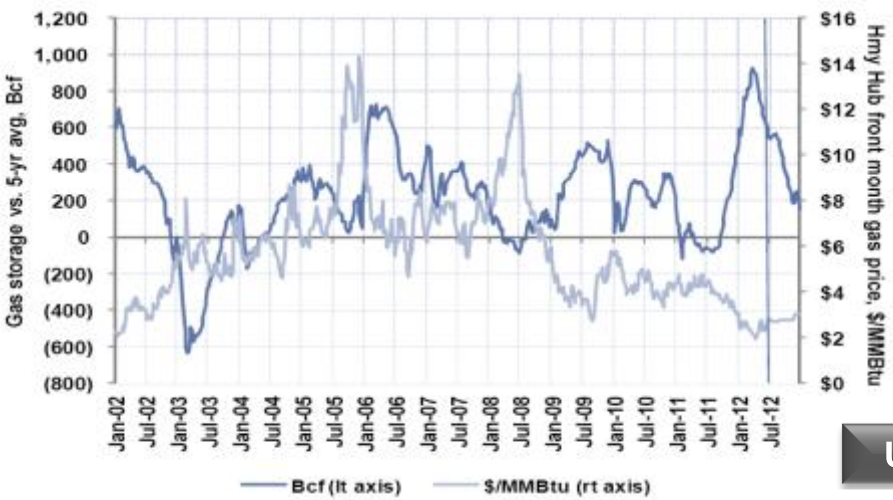
Gas Prices (Henry Hub) (2)



1. Baker Hughes, Credit Suisse Research
2. Historical data from EIA; NYMEX Strip prices as of July 9, 2012

US Gas Price Environment (contd.)

Gas Storage Surplus vs. 5-year Avg. [1]



- Gas storage surplus off its highs; fall expected to continue during 2H 2012

US Gas Demand for Power [2]

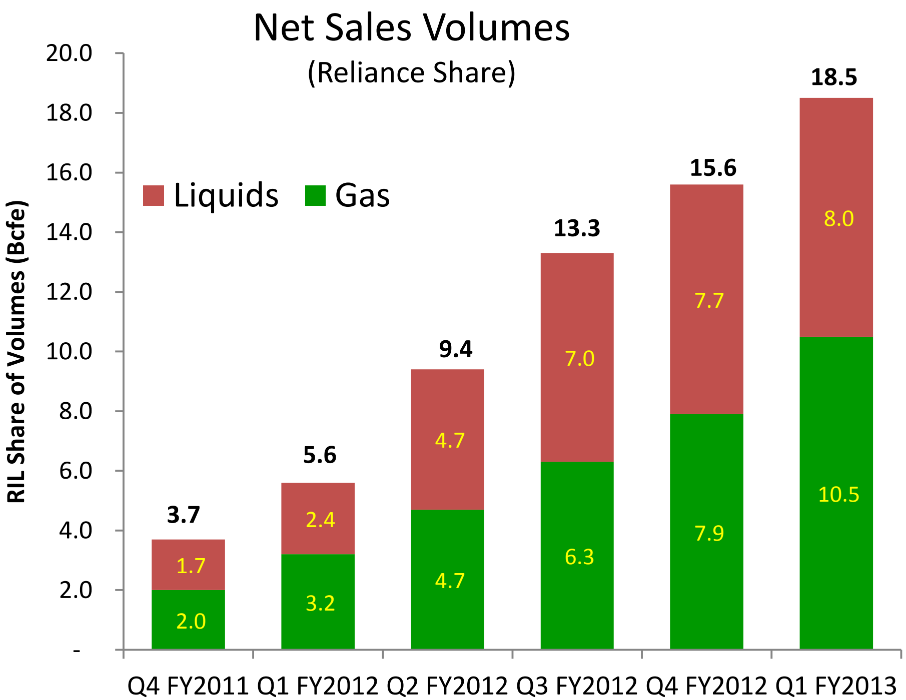
- US Gas demand from Power sector up 5 Bcf/day (30%) in 2012

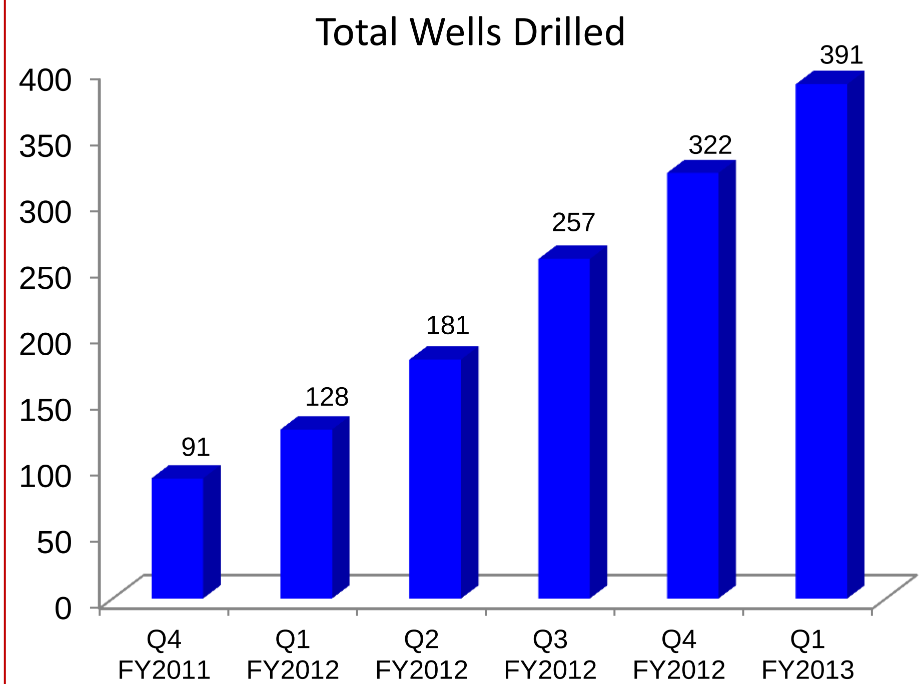
1. EIA Bloomberg; Goldman Sachs Research
2. Bentek Energy; Credit Suisse Research

Shale Business Overview

- Significant presence in two of the most promising and cost competitive US Shale Plays
- Excellent development progress across JVs
  - Liquids focused development successful; Enabled earnings optimization amidst weak gas prices
  - Paced development of gas focused drilling to ensure value optimization. Built-in flexibility in schedules to allow quick ramp-up in response to improvement in gas prices
  - Several cost reduction and efficiency improvement initiatives ongoing with encouraging initial results
- Currently operating 16 rigs: 12 rigs in Eagle Ford and 4 rigs in Marcellus
- Industry cost pressures appear to have peaked
- Building organizational platform: TIK commenced in Carrizo, plans in place for other JVs during 2013
- 2012 is a transitional year: Preparing for post-carry operating phase in Pioneer/Carrizo

Shale Business Gaining Momentum





- Development activities have gained significant momentum from CY2011
- Reliance share of net sales volumes up at 18.5 Bcfe – reflects 5 fold growth in 6 quarters
- Four fold growth in wells drilled so far; over 250 wells producing already

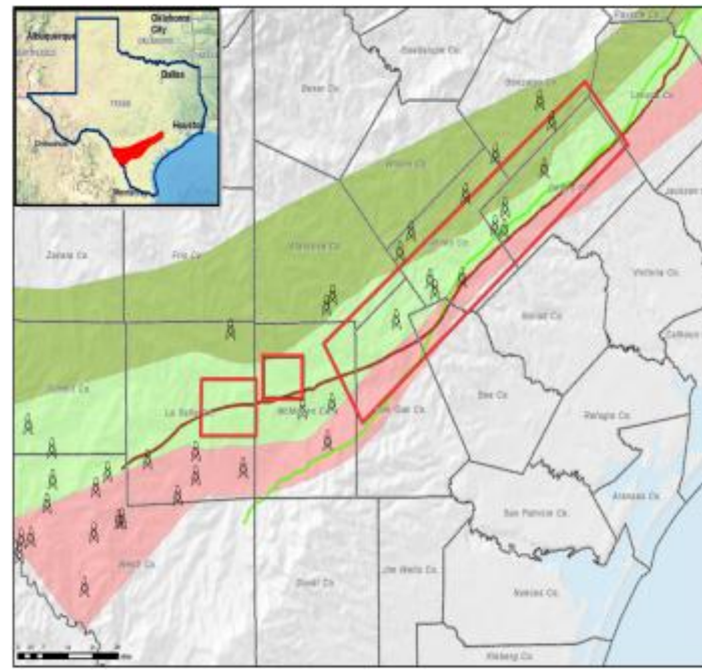
1Q FY13 Performance Highlights

- Continued strong performance even in challenging price environment.
- Reliance’s share of gross production up 18% on a Q-o-Q basis
  - Significant ramp-up in Pioneer JV, with continuing focus on liquids
  - Impressive production ramp-up in Carrizo JV, supported by higher wells put-on-production and lesser downtimes.
  - Chevron JV progressing at measured pace with continuing midstream constraints; Issue likely to be resolved by 2H FY13.
- Cumulative investment of $4.1 billion incurred in Shale gas JVs (including carry)
- 1Q FY13 revenues of $134 Mn and EBITDA of $96 Mn
- Shale Gas Strategic Initiatives
  - Priority focused on liquid rich areas whilst also ensuring prudent lease holding strategy
  - Continue focus on increased operational and capital efficiency: drilling efficiency improved in all JV’s and trials ongoing to lower development costs
  - Slowdown the pace of gas focused development activities

Pioneer JV Progress Overview

- 12 rigs operational
- Accelerated pace of construction and connectivity - 37 wells put-on-production in 1Q'13 vs. 26 wells in 4Q'12
- Significant ramp-up in production
  - Average gross JV production rate at 381 Mmscfed in 1Q'13 against 358 Mmscfed achieved in 4Q'12
  - Liquids accounted for 55% share (~35 Mbpd) in 1Q
  - Reliance's share of gross production at 15.6 Bcfe (including 1.4 MMbbl of condensate) – reflects growth of 6% Q-o-Q.
- Encouraging progress in midstream JV.
  - 3 new CGPs commissioned during the quarter. Total of 11 CGPs operational
  - Upgrades progress on track to handle production ramp up
- Incurred capex of $2.23 Bn to-date, including Reliance's share of capex in Midstream JV

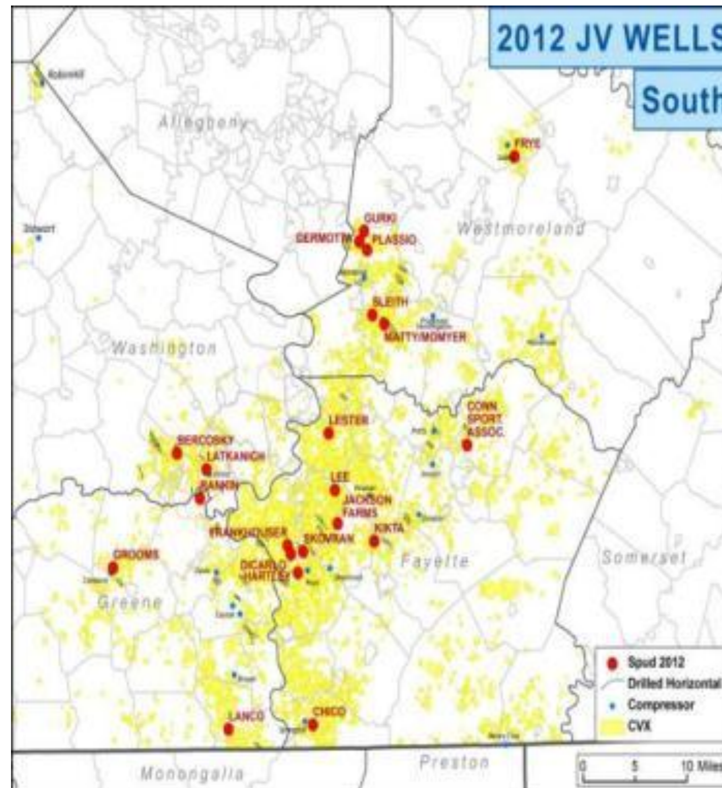
	Wells drilled	Wells completed	Wells Producing
4Q'12	168	154	137
1Q'13	204	187	174



Chevron JV Progress Overview

- Reduced horizontal rig count during the quarter – 3 rigs and 1 frac crew operational.
- Midstream constraints continued and impacted well inventory and production. Being addressed for resolution by H2'13.
- Average gross JV production rate of 87 Mmscfed in 1Q'13 vs. 73 Mmscfed in 4Q'12 despite midstream constraints
  - Reliance's share of gross production at 3.1 Bcfe in 1Q FY13 – reflects a growth of 17% Q-o-Q
  - Encouraging early well Performance on most wells continuing.
- Continued momentum in implementing systematic well cost improvement initiatives like pads, cycle-time, procurement and technology
- Capex spend of $ 1.2 Bn including carry to date

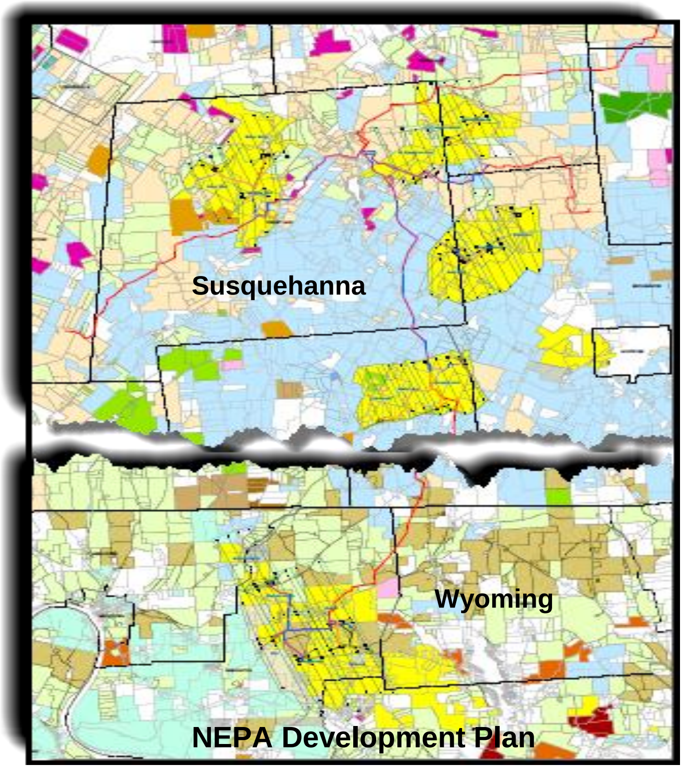
	Wells drilled	Wells Completed	Wells Producing
4Q'12	113	69	46
1Q'13	136	82	59



Carrizo JV Progress Overview

- NEPA development highlights
  - Reduced rig count – currently only 1 rig operational.
  - 9 wells put-on-production against 6 wells in 4Q'12
  - Average Gross JV production rate of 61 MMscfed in 1Q'13 against 26 MMscfed in 4Q'12
  - Reliance's share of gross production up 139% Q-o-Q to 3.4 Bcfe in 1Q'13. Strong growth supported by higher wells online and lesser downtimes.
  - Focused on 'completion flexibility'- Pace of well completion linked to take-away capacities and gas price during H2'13.
  - Wyoming production to commence in 3Q'FY13.
- C-County development highlights
  - Appraisal program is progressing well, as planned.
    - Flow back from 2 initial test wells being monitored.
    - 2 additional test well completions likely during 2Q'13
  - Results from test wells to determine the pace of development and optimization of plan
- Capex of $ 0.67 Bn including carry till date

	Wells drilled	Wells Completed	Wells Producing
4Q'12	41	18	12
1Q'13	51	31	21



Shale Gas Business Summary

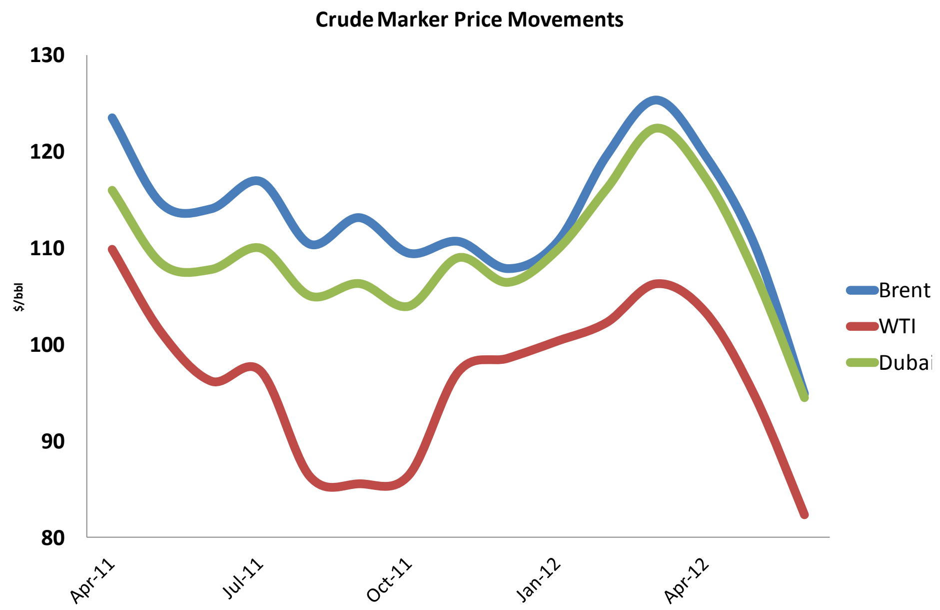
- Strong current performance in a challenging price environment
- Development progress encouraging - growth momentum building-up
- Volumes set to grow by ~50% CAGR over the next 3 years
- Shale Gas to become a material contributor to RIL earnings – expected to contribute around 8-10% of RIL's EBITDA by 2015

Refining & Marketing

R & M Business Environment

- **Global Oil Demand** expected to grow by 0.8 mbd (0.9% y-o-y) in 2012
  - Weakness and uncertainty in Euro zone dominated the global macro economy during the quarter
  - The growth engines of global economy, China and India showed signs of slowing down during the quarter

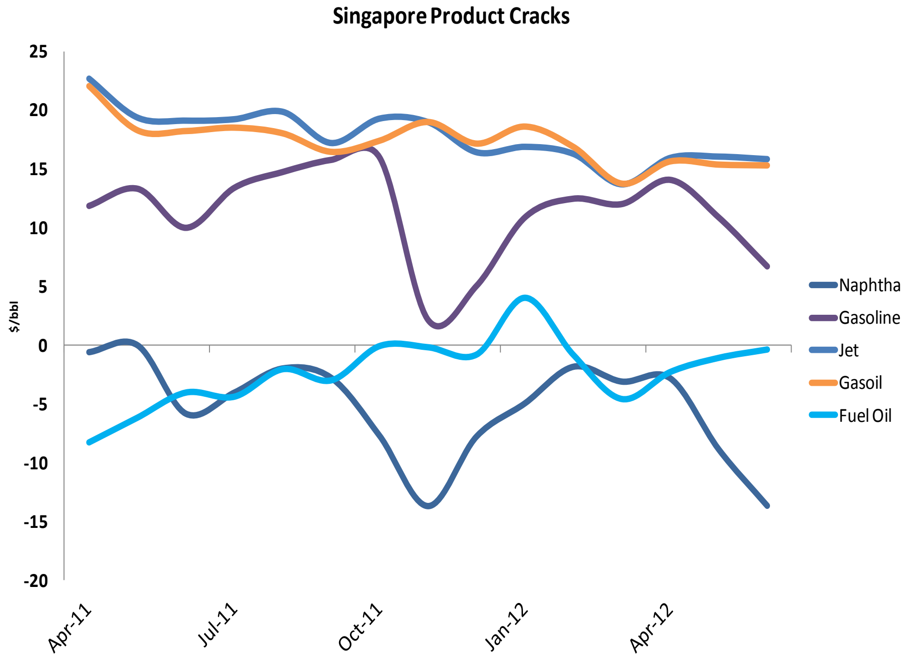
- **Over supplied oil markets** on account of weak demand & surge in Saudi production; strong gains in crude inventories reported
  - **Oil prices corrected sharply** on weakening demand prospects, easing geopolitical tensions & economic uncertainty



While global weakness sustains, easing geopolitical tensions caused oil prices to correct sharply during the quarter

R & M Business Environment

- **Varied performance of product cracks in the Asian region**
  - Naphtha cracks weakens sharply as weak plastics demand lead to low cracker utilization
  - Weakness in gasoline amid strong supplies & languid demand growth
  - Middle distillates continues to remain steady providing strength to refining margins
  - Seasonal demand & strong import requirements in Japan keep Asian fuel oil supported

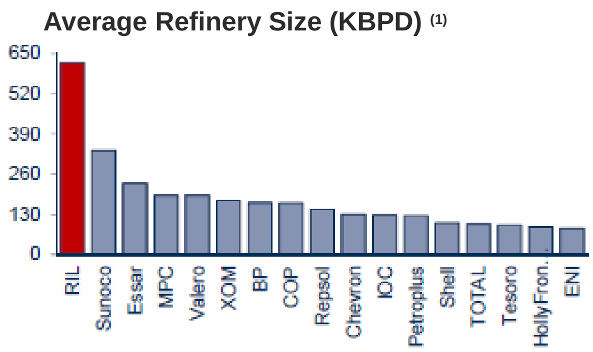


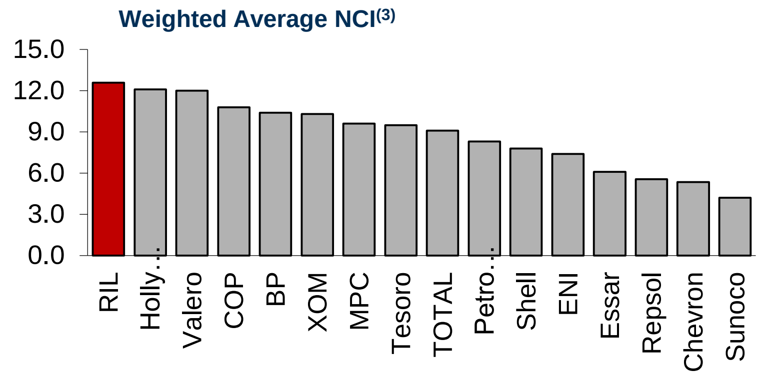
- **Refining Margins driven by regional developments**
  - Asian margins remain under pressure, primarily on account of weakness in light distillates
  - European refining margins benefit from low refinery utilization & sharp correction in Brent prices
  - Surging oil production in North America & cheap natural gas proves beneficial for refiners in US

Though lighter distillate cracks were weak in the Asian region, leading to pressure on margins; middle distillate cracks remain relatively stable

RIL R & M Competitive Advantages

- RIL R&M operates 2 of the **world's largest and most complex refineries** with a crude processing capacity of 1.24 MBPD and a combined Nelson complexity index of more than 12





(1) Source : Internal RIL Research

- RIL R&M sources more than 110 crude types worldwide, consistently moving it's crude basket in favor of heavier crudes

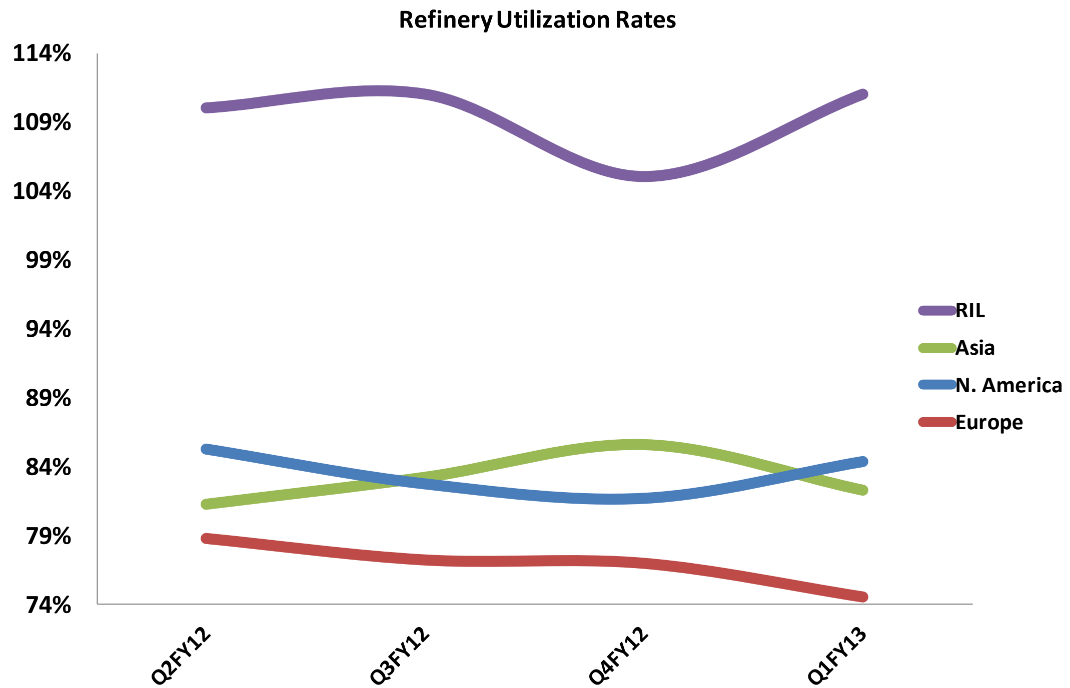
Crude API Bifurcation	Q1 FY13	Q4 FY12	Q3 FY 12
API > 22	61%	65%	71%
API < 22	**39%**	**35%**	**29%**

- Uniquely configured to produce ultra clean fuels, placing Gasoline in US and SEA/ Pacific countries and Gasoil in the European/ Latin American countries

RIL is best positioned to capture margin upside, given the scale and complexity of assets, economics of crude sourcing and product placement

RIL R&M Competitive Advantages

- RIL R&M exemplifies **operational excellence**
  - Refinery Utilization rates significantly above global peers
  - Operating costs per barrel amongst the lowest in the world
  - World class logistics infrastructure



- Refinery size and configuration, efficient crude sourcing, access to worldwide markets, logistics infrastructure and operational excellence positions RIL R&M to continue delivering on **top decile returns**

Coupled with operational excellence, RIL R&M continues to deliver top decile returns

Operational Excellence- Jamnagar

- **Record crude processing** of 17.3 MMT during the quarter
- **Feed stock cost controlled** by further widening the processable crude window
- Highest ever **utilization of down stream units**
  - Highest Ever Coker Utilization @ 4.8 MMT, facilitating heavy crude processing
  - Highest Ever FCCU Capacity Utilization @ 5.3 MMT
  - Highest Ever VGOHT Utilization @ 5.7 MMT
  - Highest ever Alky capacity utilization achieved @ 0.95 MMT
- **Maximized production of highest net back grades** at Jamnagar
- Continuing emphasis on HS&E; **Over 9.4 million man hours without Losstime Work Case (LWC)**

The key to RIL R&M's performance has been the dynamic refinery operations in response to a challenging business environment

Operational Excellence - Marketing

Industry Domestic Demand				% change	
Product	**1Q FY12**	**4Q FY12**	**1Q FY13**	**1Q vs 1Q**	**1Q vs 4Q**
MS	3802	3803	3881	2.1	2.1
HSD	16651	16919	18351	10.2	8.5
ATF	1353	1416	1310	(3.2)	(7.5)
Kerosene	2156	2024	1857	(13.8)	(8.2)
LPG	3486	3903	3738	7.2	(4.2)
Naphtha	2454	2388	2519	2.6	5.5
Others	6014	6041	5716	(5.0)	(5.4)
TOTAL	**35914**	**36492**	**37372**	**4.1%**	**2.4%**

Source: IPR; All figs in KT

- **Domestic Market : Product wise Demand**
  - Domestic demand growth of 4.1% between 1Q FY13 and 1Q FY12
  - Strong growth in HSD Product Demand

- **Refinery Product Sales**
  - Refinery product sales mix having increasing contribution from the PSU segment
  - Highest ever diesel sale to PSU during the quarter (2840 KT)

(Unit in KT)	1Q FY13	4Q FY12	% change
Exports	9,298	8,409	5.6%
PSU	3,489	3,347	0.9%
Captive	2,545	2,411	0.8%
Domestic (Bulk + Retail + Industrial)	1,869	1,684	1.2%
Total – Refinery Sales	**17,202**	**15,852**	8.5%

Supported by robust demand in India going forward, RIL R&M's marketing effort is well aligned to supply locally

Business Performance – 1Q FY13

Asian Product Cracks	Q1FY13	Q1FY12	Y-o-Y Change	Q4FY12	Q-o-Q Change
Naphtha	-8.5	-2.2	-6.3	-3.3	-5.2
Gasoline	10.6	11.7	-1.1	11.8	-1.2
Jet/Kero	16.0	20.4	-4.4	15.6	0.3
Gasoil	15.4	19.5	-4.1	16.4	-1.0
Fuel Oil	-1.3	-6.2	4.9	-0.5	-0.8
Asian L-H Differentials	3.27	5.08	-1.81	2.57	0.70
RIL GRM	**7.6**	**10.3**	**-2.7**	**7.6**	**0**

- Margins in 1Q FY12 were better compared to 1Q FY13, primarily due to:
  - Better Product cracks due to refinery outages following devastating Japanese Tsunami
  - Strong middle distillate demand with the commencement of reconstruction activity in Japan
  - Widened light heavy differential due to loss of light sweet crude supply from Libya
- Margins remained unchanged from the previous quarter, as the effect of lower product cracks was offset by:
  - Widening light heavy differentials
  - Efficient operation of downstream units
  - Effective product placement strategy

In spite of adverse business climate, RIL competitive advantage and operational excellence have ensured steady performance

R&M Business Outlook

- Positive policy actions in the EU likely to ease debt pressure
- Global Oil Demand should be supported and lead by
  - Demand Recovery in China : Preliminary IP data suggest a demand rebound
  - Non-OECD Demand is soon expected to exceed OCED demand for the first time
  - Loosening of monitory policy in emerging economies, especially in Asia, likely to spur demand for commodities
- Product Inventories lower than historical levels should support refinery utilization
- Oil market expected to tighten in the second half of 2012
- Net CDU capacity additions likely to exceed oil demand growth marginally
  - Simple refiners and the refiners in developed economies will likely face increased pressure
- Naphtha cracks are likely to rebound from current levels with improving economic prospects
- Middle Distillate cracks expected to remain strong providing vital support to refining margins
- Fuel Oil expected to weaken from current levels with restoration of Nuclear Power in Japan

RIL R&M is poised to strengthen it's position as industry leader as and when macro economic indicators suggest improved business environment

R&M Strategy

- Investing $4 billion to make "Refinery Complex" bottomless through the petcoke gasification project. Project now in execute phase- process licensor for the project awarded to Phillips 66
- Incremental investments directed at:
  - Raising energy efficiency
  - Managing costs
  - Improving yield of highest value products
- Improve access to cheaper and heavier crude by:
  - Capturing new grades to the processed crude bucket
  - Maximise high value grade access to key South American crudes
- Access to high value markets:
  - Increase merchant alkylate sale during summer
  - Increase sales to Asian markets

The strategic initiatives at RIL R&M is committed to achieve inimitable growth for years to come

Petrochemicals

Polymers

1Q FY13 - Business Environment - Polymers

- Ethylene operating rates in North East Asia and South East Asia were ~96.4% & 93.6 % respectively
- US and WE ethylene operating rates were at 95.8 % 87% respectively
- Incremental ethylene capacity additions in next 5 years 3.1% p.a.as compared to demand growth of 4.4% p.a.
- Major global ethylene capacity additions during 2012 & 2013 will be 3.4 & 4.3 MMT respectively→ Mainly in Middle East, North East Asia and South East Asia
- Improving trend in margins across the chain due to decline in feedstock prices and increase in domestic demand
- Domestic polymer demand was up by 22%, China demand was higher by 7%; RIL sales up by 13% (1Q FY13 vs 1Q FY12)

Going forward margins expected to improve

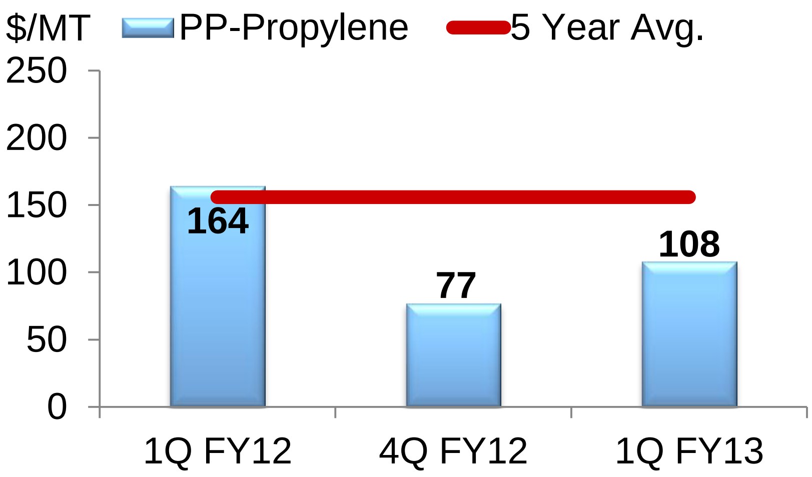
Source: ‘’IHS /CMAI

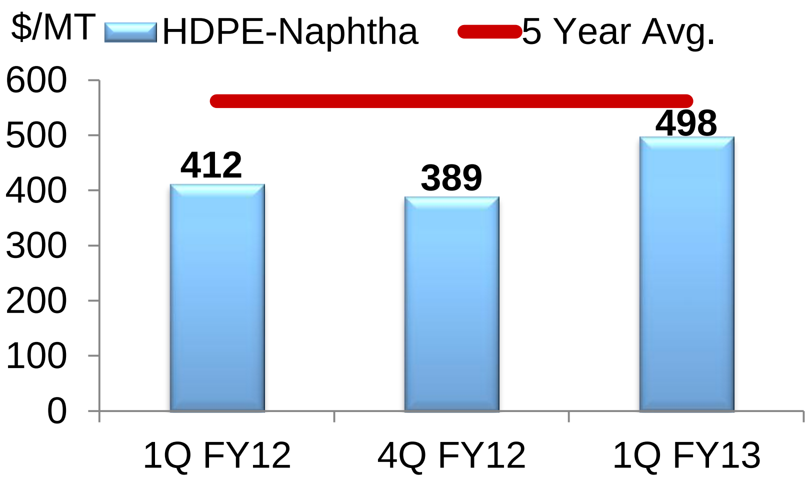
Global Price Movement

$/MT	1Q FY12	4Q FY12	1Q FY13	% change	
				1Q vs 1Q	1Q vs 4Q
Crude Oil ($/bbl)	111	116	107	**-4%**	**-8%**
Naphtha	958	989	858	**-10%**	**-13%**
Ethylene	1280	1256	1154	**-10%**	**-8%**
Propylene	1469	1301	1292	**-12%**	**-1%**
EDC	544	308	267	**-51%**	**-13%**
PE	1369	1378	1356	**-1%**	**-2%**
PP	1633	1378	1400	**-14%**	**2%**
PVC	1199	1003	991	**-17%**	**-1%**

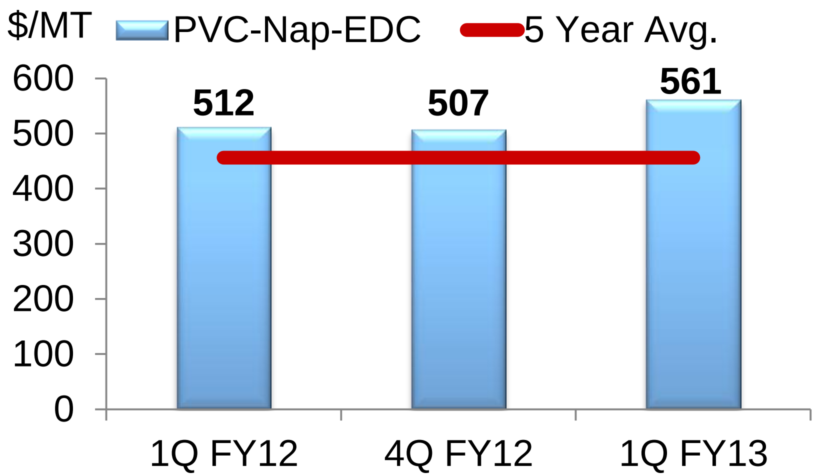
Volatility in crude oil and naphtha during 1Q FY13

Polymer Deltas





- Improving trend across the chain due to decline in feedstock prices and increase in domestic demand



Advantaged US Petrochemical Industry – New NGL Capacity

- Natural gas and Natural Gas Liquids prices low in US leading to new capacity announcements
- Rapid shift to lighter feedstock over the last 2 years
- Lighter feedstock slate has reduced supply of other streams (Propylene, Butylenes & Aromatics)
- On-purpose propylene technologies to become important and economical
- US gulf coast cost position improved → Second only to Middle East

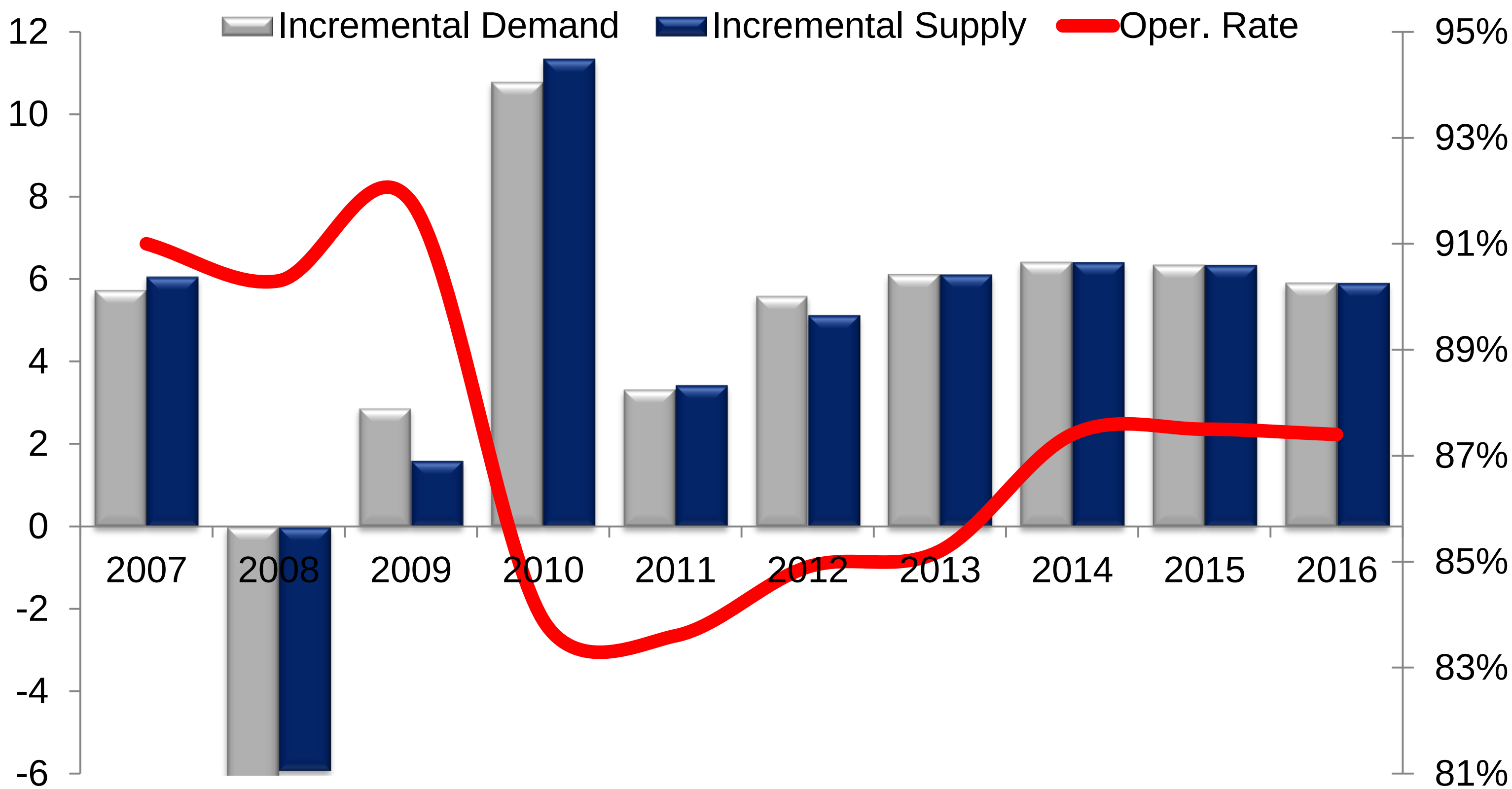
New Cracker Announcements in the US

Company	Location	Capacity	Start-up
New Cracker Announcements		(Ethylene capacity in MMT)	
ExxonMobil Chemical	Texas	1.5	2016
Chevron Phillips Chemical	Texas	1.5	Q1 2017
Dow Chemical	TBD	World-scale	2016-2017
Formosa Plastics	Texas	0.8	2016
Shell	Appalachia	World-scale	2016-2017
Sasol	Louisiana	1.0-1.4	2017
Aither Chemicals	Appalachia	TBD	2016
Expansion			
Westlake Chemical	Louisiana	0.11	H2 2012
Williams	Louisiana	0.27	Q3 2013
Westlake Chemical	Louisiana	0.11	2014
LyondellBasell	Texas	0.38	2014
Debottleneck			
INEOS	Texas	0.11	end 2013
Restart			
Dow Chemical	Louisiana	0.39	end 2012

US ethane supply-demand balance expected to remain long through 2016

Source:. IHS/CMAI

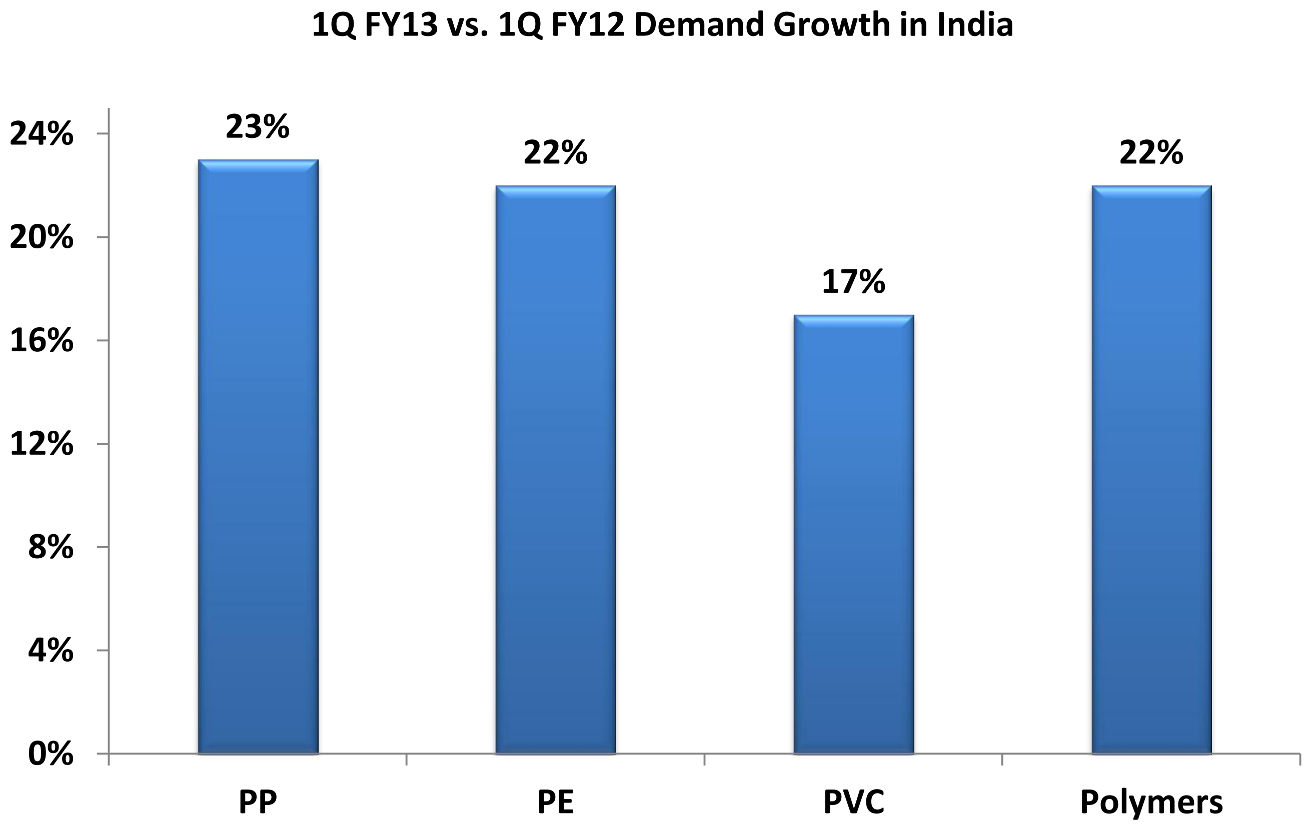
World Ethylene Demand Supply (in MMT)



Source:(IHS/CMAI)

In 2012 ethylene incremental demand to outplace incremental supply = Rise in utilization

India Demand Growth (Y-o-Y)



Strong growth across sectors together with the weakness of 1QFY12 resulted in significant growth in demand

1Q FY13 – Domestic Market Scenario

- Plant operations were stable – cracker operating rate at 94% for 1Q FY13
- RIL capturing major share of domestic market by consistently higher production
- Managing price volatility by securing feed stocks from alternate sources
- Customer inventory levels are low, results in stable demand

Production (KT)	1Q FY13	1Q FY12	% change
PP	696	690	0.9%
PE	257	257	0.0%
PVC	148	144	2.8%
TOTAL	**1101**	**1091**	**0.9%**

Stable plant operations → capturing major share of domestic market

Petrochemicals

Polyester and Fibre Intermediates

Leadership Positions in Polyester

	Installed Capacity (KTA)	Domestic Market Share	Global Leadership Position
PX	1,856	60%	5th largest
PTA	2,050	58%	8th largest
MEG	733	39%	8th largest
PFY	1100	25%	World's Largest
PSF	760	70%	
PET	332	52%	13th Largest

Fully integrated, feedstock synergies, cost competitive

100% utilization, India focus

Business Environment

- **Tough macro- environment** – Volatile and subdued macro-economic indicators impacted global demand
- **Weak Chinese Demand** – Chinese textile demand weak and below expectations
- **PTA and Polyester impacted**– Forced shutdowns in PTA and Polyester due to high inventory and lower margins
- **Volatile yet growing domestic demand** – Month on month volatility but significant y-o-y growth in polyester demand
- **Decline in Cotton** – Decline in global cotton prices due to lower imports by China and poor downstream demand
- **Significant Capital Investment in Textiles** – Record textile machinery shipments in 2011; India and China seeing significant investments

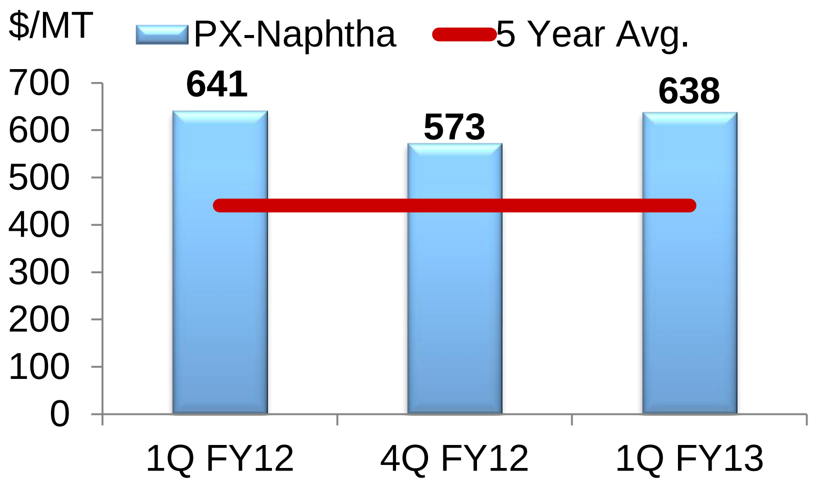
Challenging business environment for polyester, however huge investments coming up

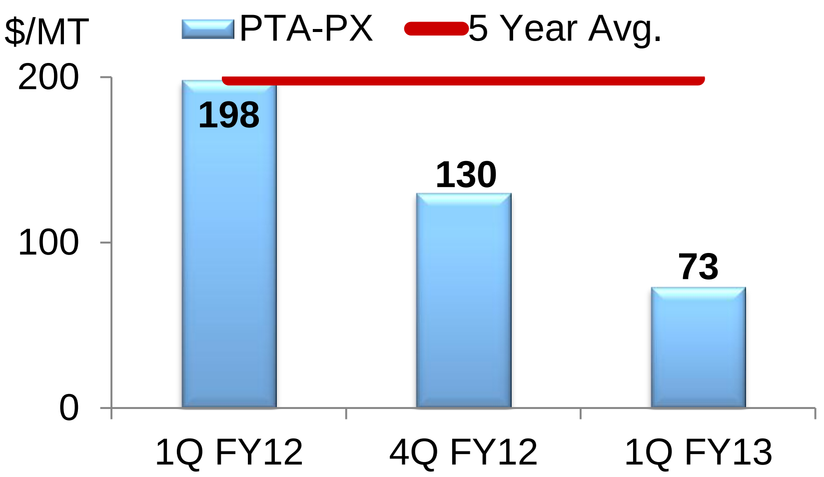
Global Price Movement

$/MT	1Q FY12	4Q FY12	1Q FY13	y-o-y % change	q-o-q % change
Crude Oil (Dubai)	111	116	**107**	-4%	-8%
Naphtha	958	989	**858**	-10%	-13%
PX	1598	1562	**1497**	-6%	-4%
PTA	1272	1180	**1079**	-15%	-9%
MEG	1153	1070	**944**	-18%	-12%
POY	1893	1653	**1493**	-21%	-10%
PSF	1795	1572	**1451**	-19%	-8%
PET	1698	1596	**1425**	-16%	-11%

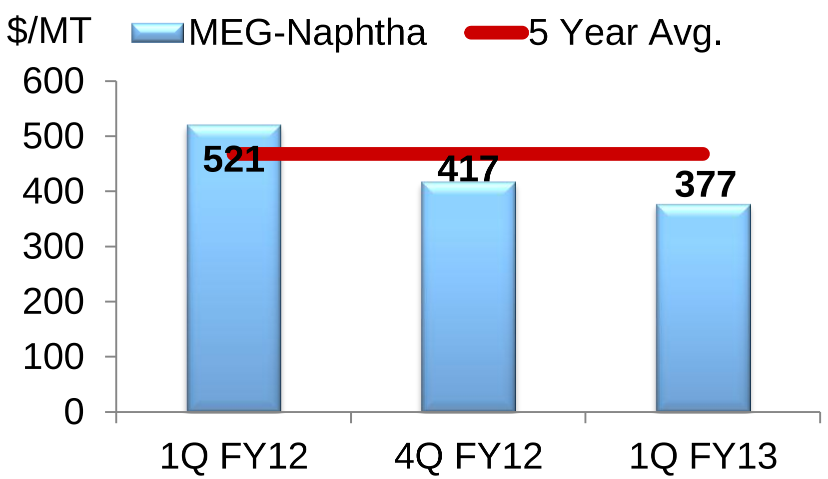
Markets remained cautious amidst declining cotton prices, weakness in China and falling polyester prices

Fibre Intermediates Margin Environment

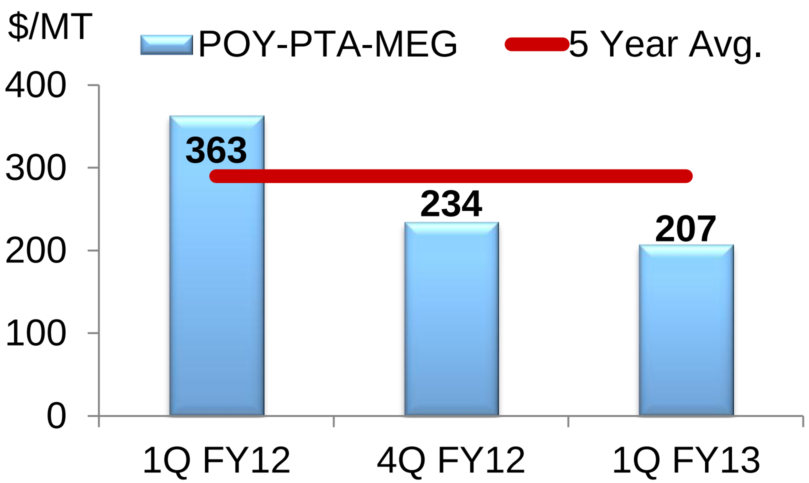


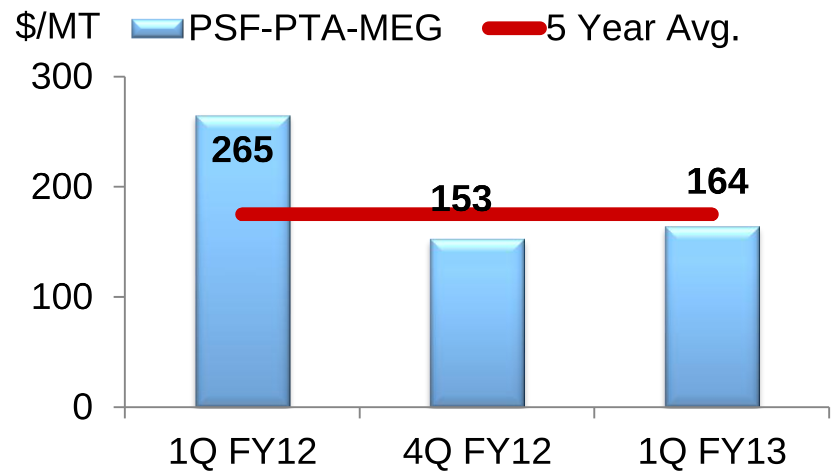


- PX benefitted from cheaper feedstock and tightness in supply
- Oversupply and weakness in demand impacted PTA deltas adversely
- MEG delta impacted by high naphtha and weak downstream support



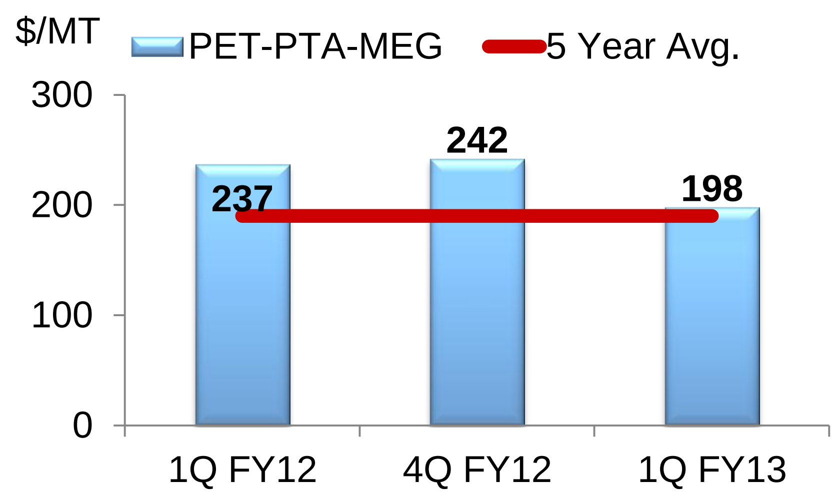
High-Price Feedstock Impacts Product Deltas



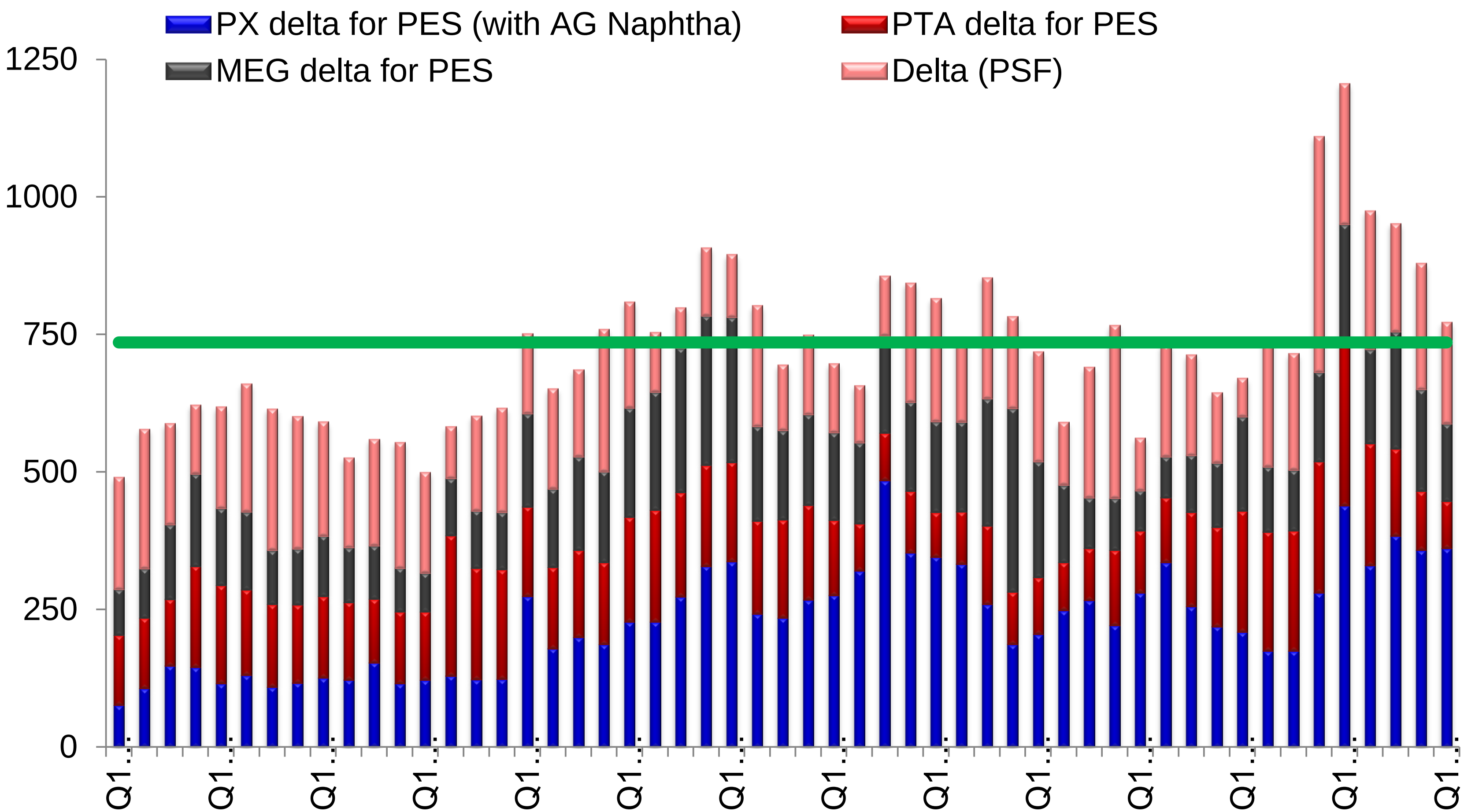


- Weak demand and lowering of inventories in textile industry resulting in **lower polyester delta**

- Sales to output ratio of polyester producers in China declined resulting in **higher inventories**



Polyester Chain Delta



Source: Platts, ICIS

Polyester chain delta enabled integrated players sustain volatility shocks and remained in tune with long-term chain deltas

1Q FY13 – RIL Operational Highlights

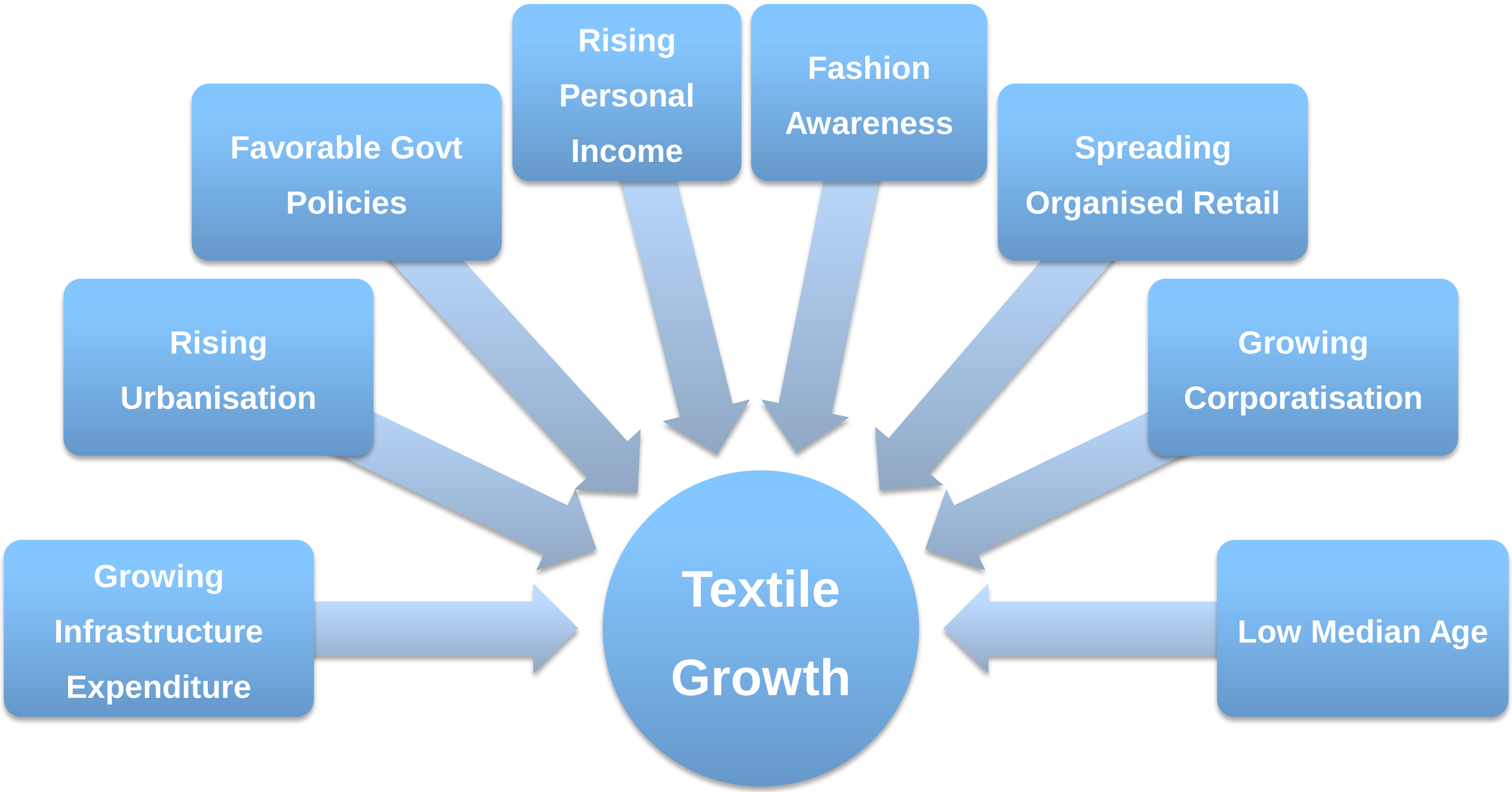
- Overall plant operations were normal – Polyester plants operated at over 100% during the quarter
- Focussed on domestic markets amidst weak global scenario
- Continued focus on specialty and value added products
- Fortnightly pricing mechanism adopted

Production (KT)	1Q FY13	1Q FY12	% change
POY	174	172	1.2%
PSF	152	151	0.7%
PET	89	88	1.1%
TOTAL	**415**	**411**	**1.0%**

Production (KT)	1Q FY13	1Q FY12	% change
PX	507	509	-0.4%
PTA	533	529	0.8%
MEG	163	174	-6.3%
TOTAL	**1203**	**1212**	**-0.7%**

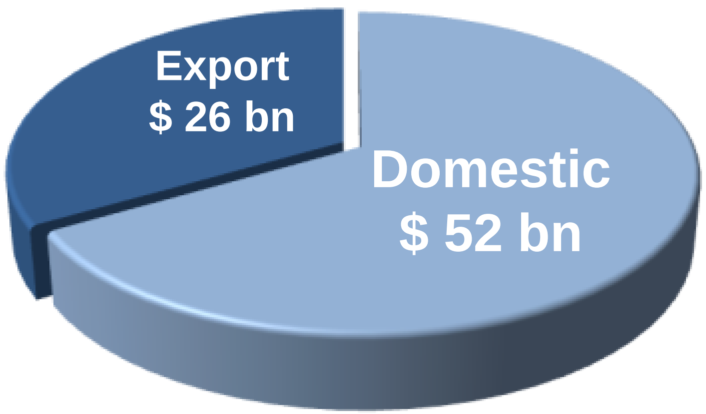
Polyester
Growth Drivers

India: Textile Growth drivers



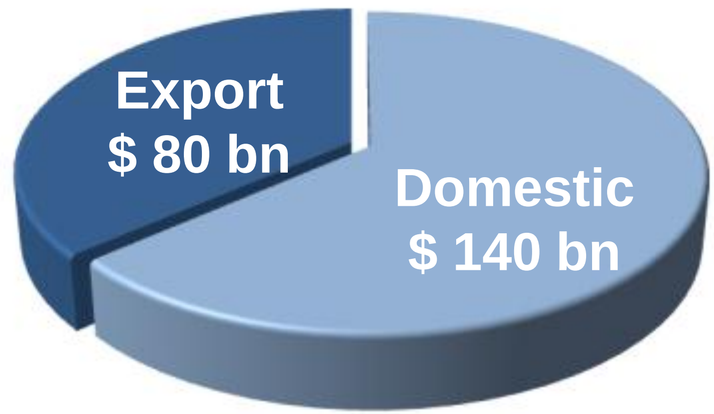
India: Textile Industry Growth Potential

2010



CAGR – 11%

2020 (E)



Domestic Demand

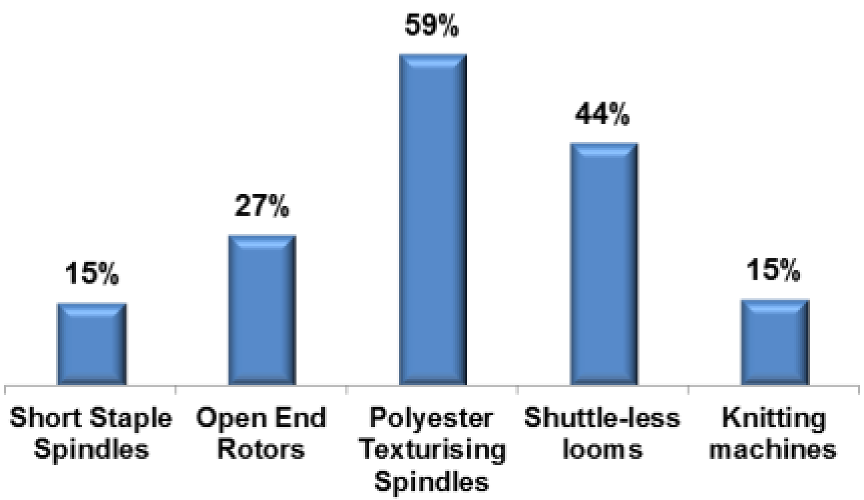
US$ Bn	2010	2020 (E)	CAGR%
Apparel	36	100	11
Home Textiles	4	9	9
Technical Textiles	12	31	10

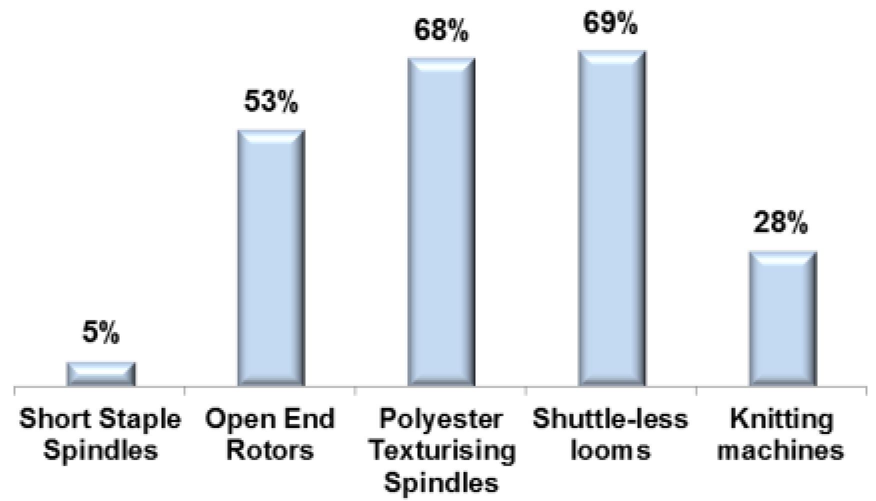
Source: Technopak

Huge untapped potential to raise non-apparel segment

Renewed Downstream Textile Shipments

2011 over 2010

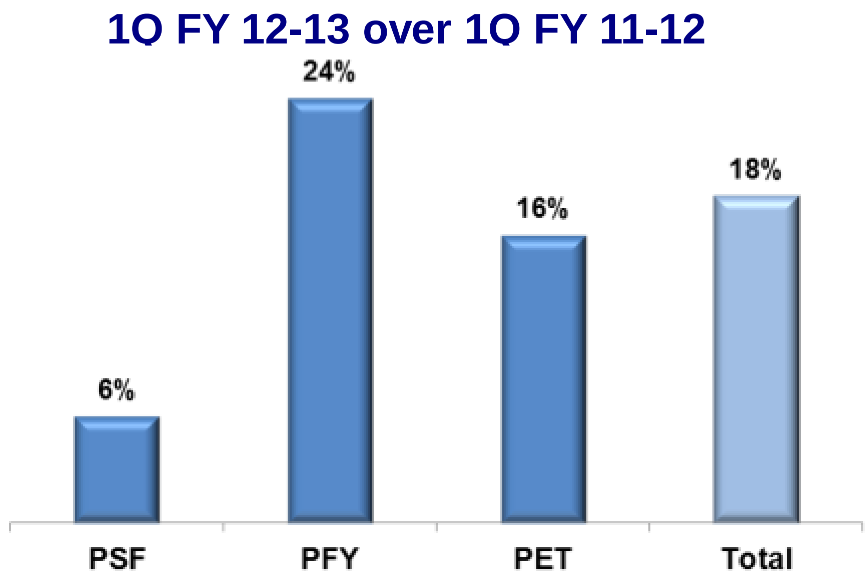




- Record level of global shipments of new textile machinery in 2011
- Asia continues to be dominant investment centre
- China and India dominate the leading position in most categories

Significant investments in MMF-based downstream machinery

Domestic Polyester Growth: 1Q FY13



- Higher Y-o-Y growth as last year witnessed extreme weak demand following crash in cotton prices from record highs
- Spurt in recycle activities post removal of plastic/plastic waste from excise net for POY/PSF
- India extends anti-dumping duty on POY/VFY imports
- Power shortage continued in key textile producing regions in Southern India
- Beverage and water segment continue to drive PET added by delayed monsoon

Reliance Polyester –
Focus on sustainability and innovation

Recycling: The Touch of Green

Recron Fibrefill – Filling applications for pillow, quilts, cushions etc.

Recron Green – Ecofriendly fibres for apparel and home textiles

RELPET Green – Bottle to bottle recycling

Reuse Reduce Recycle

Reliance – Continuous efforts towards a greener earth

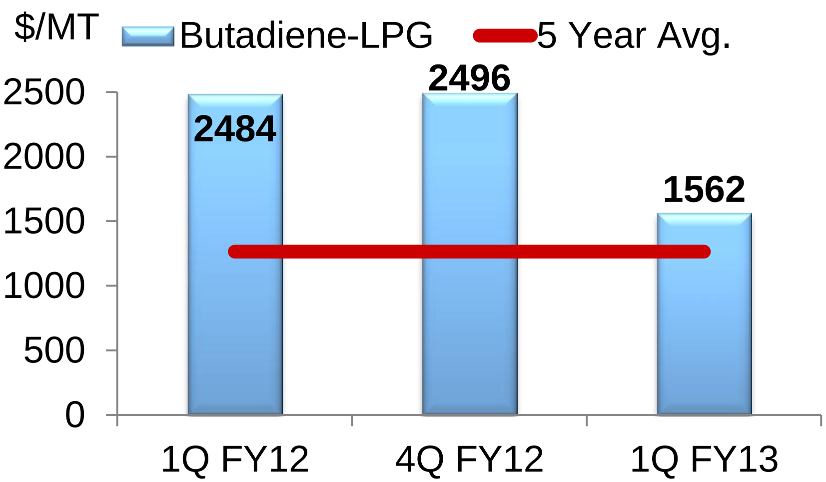
Outlook

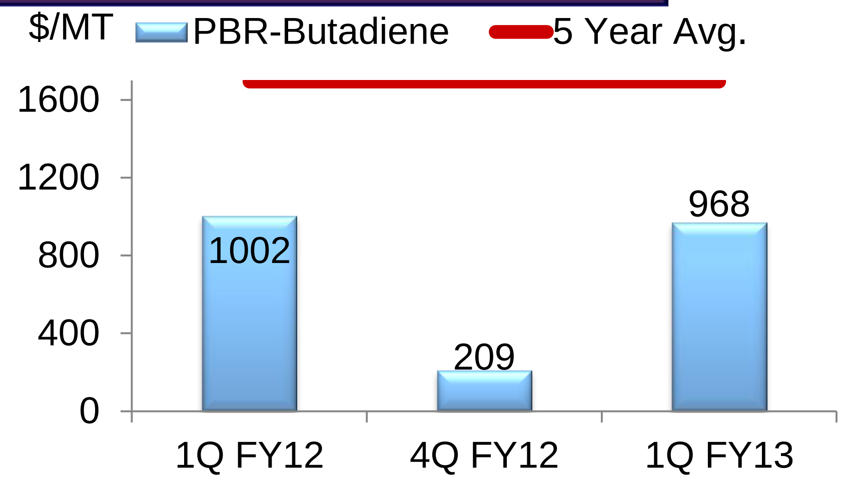
- **Revival in demand** – Economic revival measures to continue; gradual revival in demand expected
- **Chinese polyester demand** – Likely to improve for the peak production season
- **Cotton outlook** – Global decline in cotton acreage expected amidst lower realization in current season
- **Indian polyester demand** – Festive season post monsoon expected to support demand
- **Policy support** – Government to assist downstream expansions and modernization of equipment

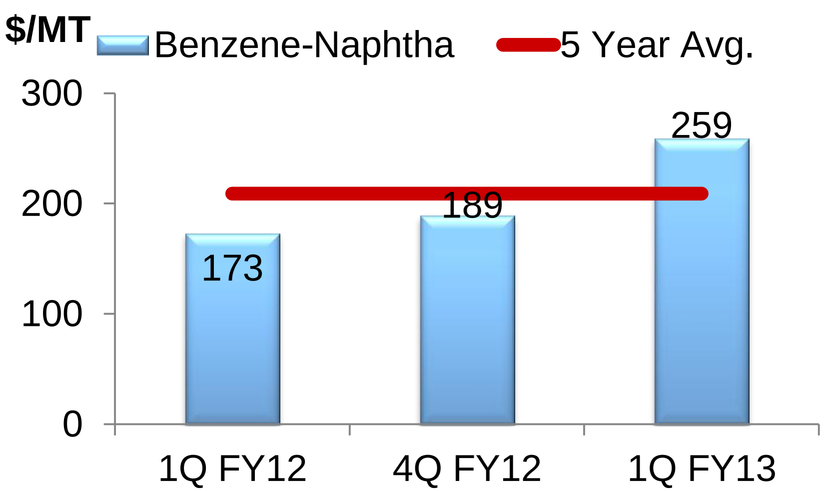
Petrochemical Sector

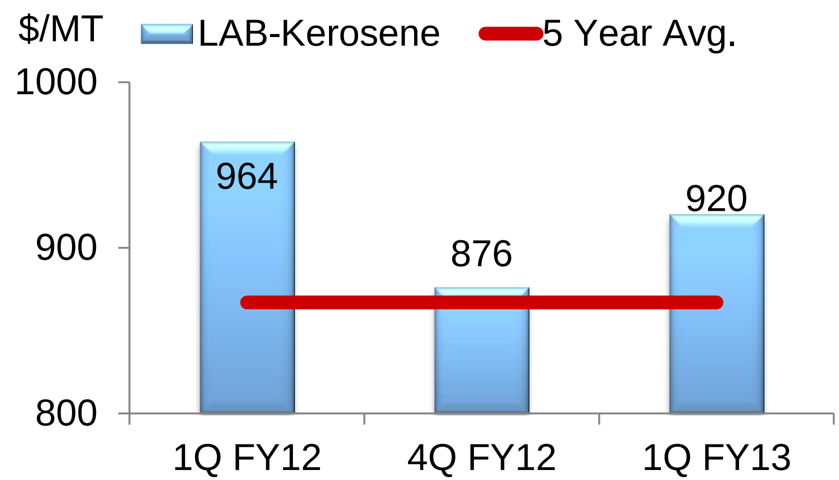
Chemicals

Chemical Deltas





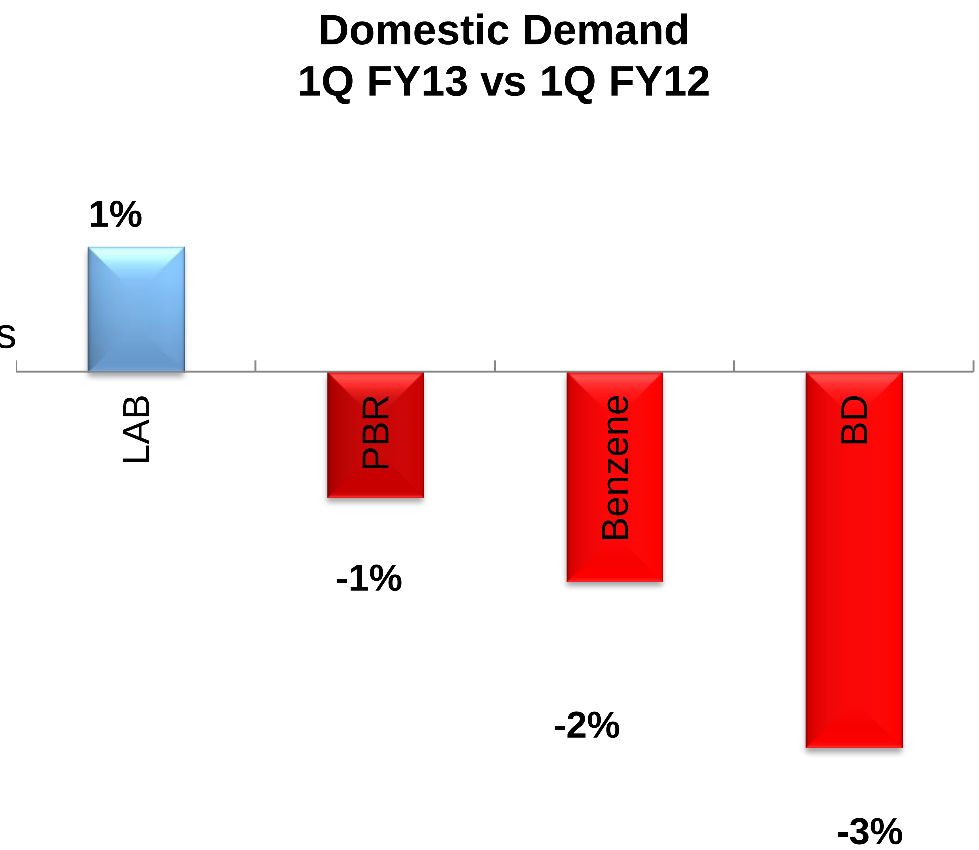




Butadiene prices remained under pressure due to lower downstream demand impacting Butadiene delta and benefiting PBR delta

Retaining Domestic Leadership

- Marginal increase in LAB demand was seen in view of seasonal demand
- PBR demand remain stagnant due to weakness in the auto sector. Accordingly, demand for butadiene was also impacted
- Shutdown in major customer's plant impacted demand for benzene
- RIL market share 1 Q FY13:
  – Butadiene: 99% ; Benzene: 49%
  – PBR: 44% ; LAB: 22%



Summary

Summary

- Committed to creating shareholder value through the 2012-13 buy-back program:
  - Bought back 33.1 million shares (28.5% of total committed) at ₹2,367 crore as on 30 June 2012 – these shares have since been extinguished
- Significant progress in downstream projects in Refining and Petrochemical segments with key contractors and technologies finalized
  - On track for significant margin upside in R&M and volume enhancement in petrochemicals
  - Volume growth to commence FY 14 onwards
- Committed to large investments in domestic E&P following government approvals and market-linked pricing

Focus on enhancing shareholder value through investments and growth

Thank You