1H FY 2011-12 Financial Results

Analyst Presentation

15 October 2011

Forward Looking Statements

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1H FY12 Performance Highlights

- Record half yearly EBITDA of ₹ 21,950 crore (up 9%) and net profit of ₹ 11,364 crore (up 16.3%)
- Ongoing strength in Asian/US refining continues – with GRM of $ 8.8/bbl, Singapore complex is at its 5-year high
- RIL delivers strong refining performance; crude-throughput of 34.1 MMT (operating rate 110.2%) and GRM of $ 10.2/bbl (up 32% on a Y-o-Y basis)
- Record petrochemical performance despite market weakness – RIL production up by 8% on a Y-o-Y basis and EBIT higher by 9%
- US shale hydrocarbon production becoming meaningful - gross exit gas production of 210 MMCFD and 24.7 MBPD of condensate
- Government approves RIL and BP deal, India's largest foreign direct investment in the hydrocarbon sector

Financial Results

Financial Results – 1H FY12

(in ₹Crore)	1H FY12	1H FY11	% Change
Turnover	164,479	120,969	36%
PBDIT	21,950	20,132	9%
PBDIT Margin	**13.3%**	**16.6%**	
Net Profit	11,364	9,774	16%

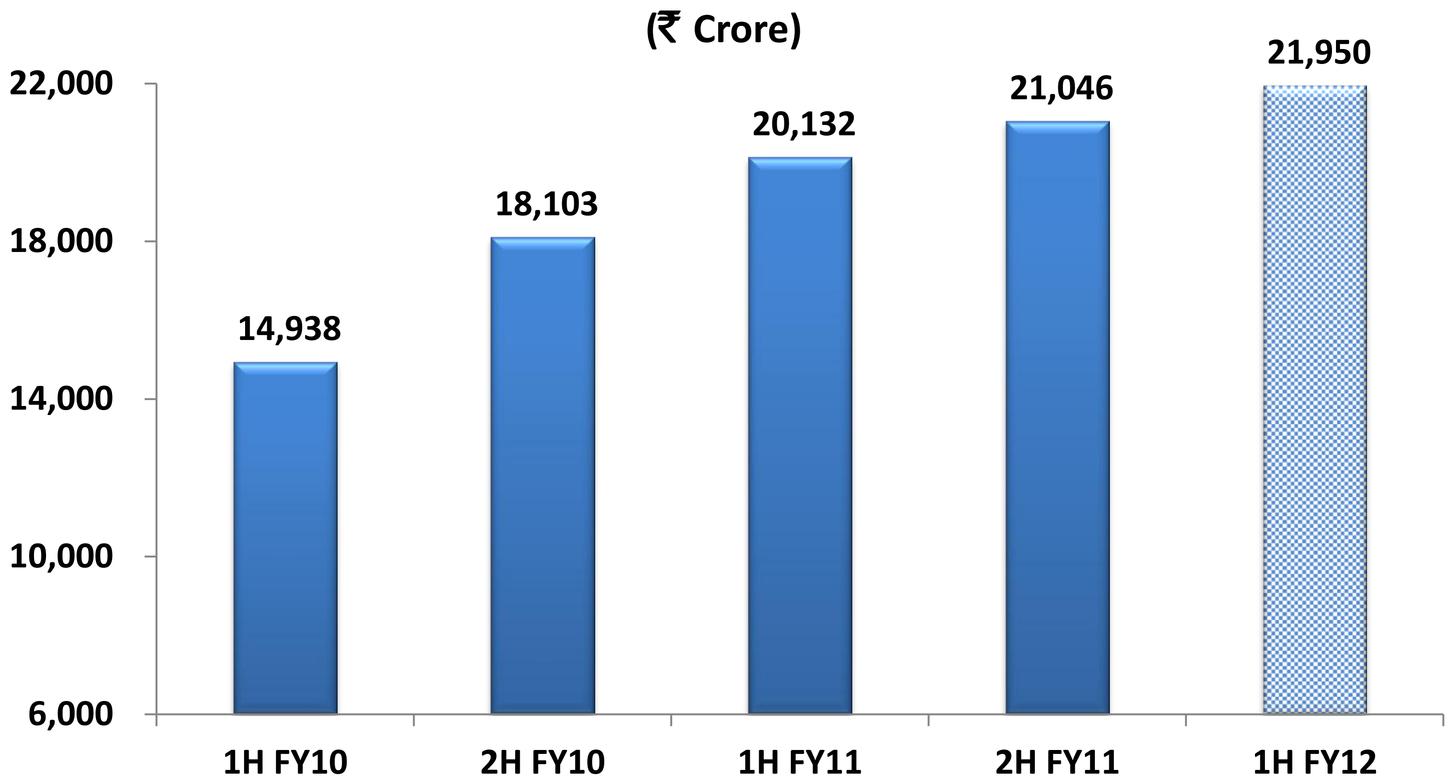
- Record quarterly and half-yearly net profit
- Turnover growth led by 33% in higher prices and 3% in volume growth
- GRMs up 32%, sustained performance in petrochemicals and lower depreciation result in 16% growth in net profit
- PBDIT margin lower due to reduced E&P production and base effect in Refining and Petrochemicals

Financial Results – 2Q FY12

1Q FY12	(in ₹Crore)	2Q FY12	2Q FY11	% Change
83,689	Turnover	80,790	59,962	35%
11,005	PBDIT	10,946	10,068	9%
13.1%	PBDIT Margin	**13.5%**	**16.8%**	
5,661	Net Profit	5,703	4,923	16%

- Revenue growth in R&M and Petrochemicals – 32% growth in prices and 3% growth in volumes
- Y-o-Y improvement in R&M margin led to growth in net profit
- Lower contribution from E&P and reduction in petrochemical PBDIT margins on a Y-o-Y basis
- Margin improves on a sequential basis due to higher refining PBDIT margin

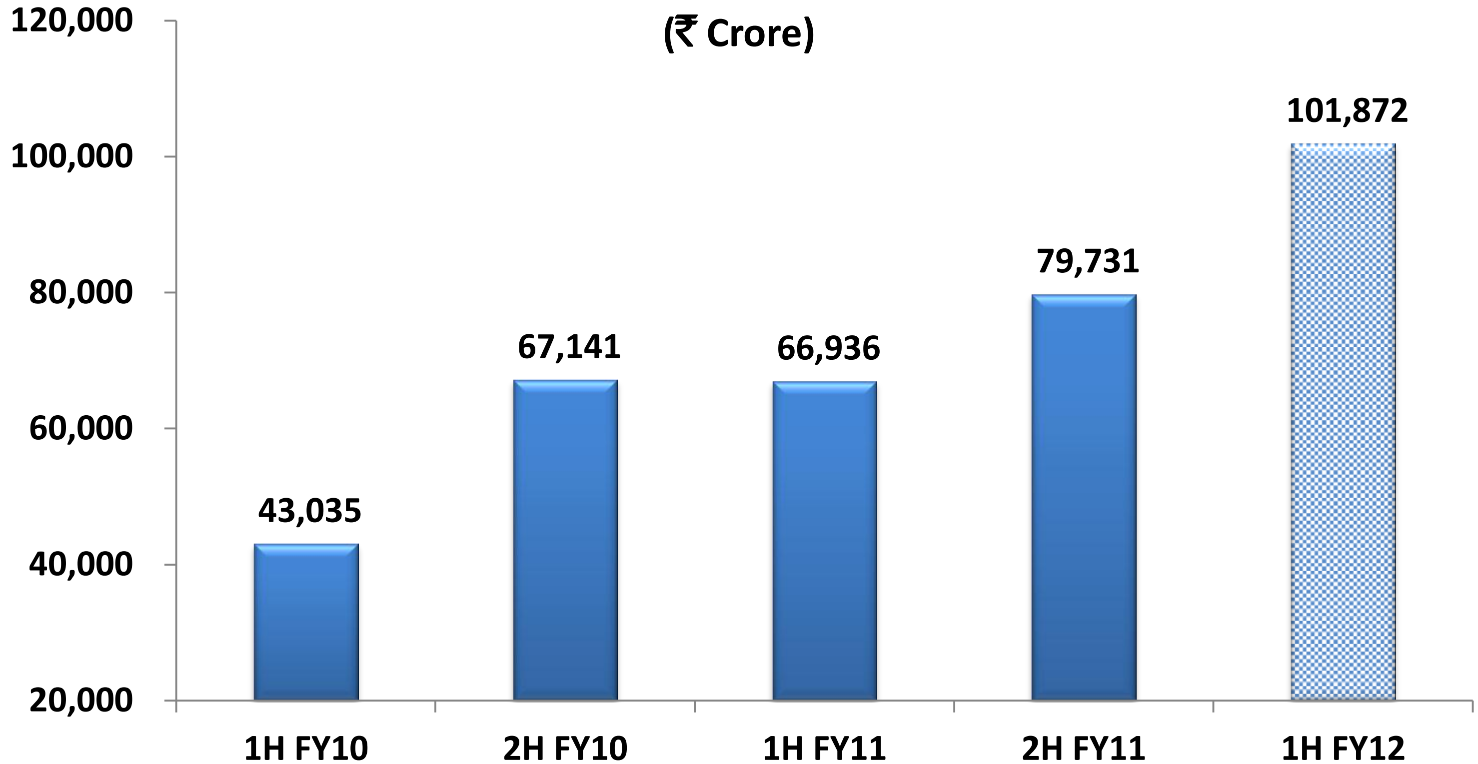
EBITDA Growth



Record half-yearly EBITDA – 1H FY12 EBITDA up 9%

2Q FY12 EBITDA up 8.7% on Y-o-Y basis

Exports Trend



Higher product prices and higher volume contribute towards 52% growth in half-yearly exports – higher exports of petroleum & petchem products

Segment Results – 1H FY12

(in ₹ Crore)	1H FY12	1H FY11	% change	Sales Variance	
Refining				**Volume**	**Price**
Revenues	**1,41,785**	1,00,203	41.5%	3.50%	38.00%
EBIT	**6,274**	4,227	48.4%		
EBIT Margin	**4.4%**	4.2%			
Petrochemicals					
Revenues	**39,432**	28,999	36.0%	9.10%	26.90%
EBIT	**4,637**	4,250	9.1%		
EBIT Margin	**11.8%**	14.7%			
Oil and Gas					
Revenues	**7,457**	8,968	-16.8%	-20.50%	3.70%
EBIT	**3,004**	3,627	-17.2%		
EBIT Margin	**40.3%**	40.4%			

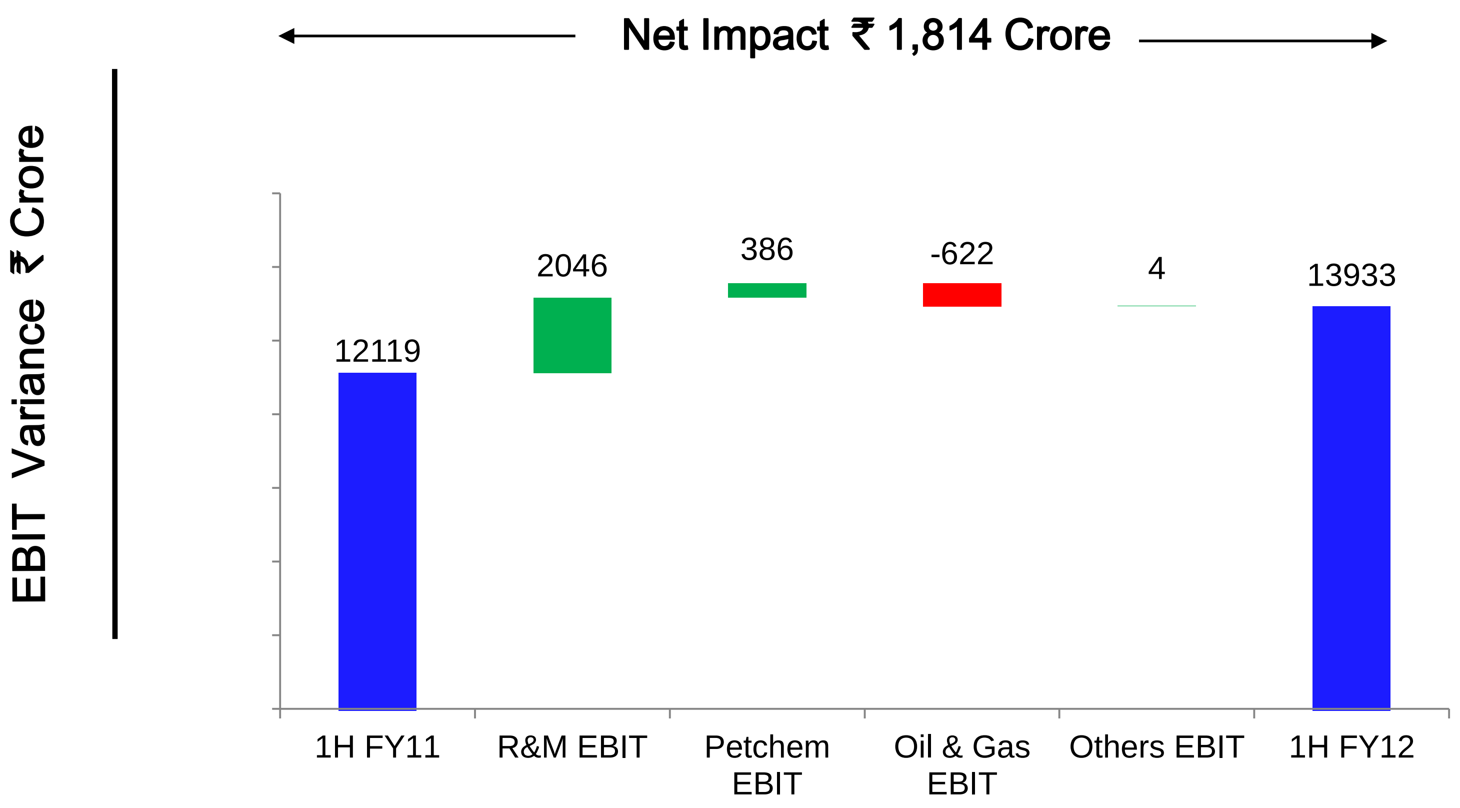
- Higher GRM at $10.2/ bbl against $ 7.7/bbl (1H FY11) resulting in R&M achieving record EBIT
- 36% growth in petrochemical revenues (27% higher prices mainly in PX and PP and 9% higher volumes in PX, PE and PP)
- Oil & gas EBIT lower due to reduced production from KG-D6

Segment Results – 2Q FY12

1Q FY12	(in ₹ Crore)	2Q FY12	2Q FY11	% change	Sales Variance	
	Refining				**Volume**	**Price**
73,689	Revenues	**68,096**	49,672	37.1%	0.5%	36.6%
3,199	EBIT	**3,075**	2,192	40.3%		
4.3%	EBIT Margin	**4.5%**	4.4%			
	Petrochemicals					
18,366	Revenues	**21,066**	15,096	39.5%	11.4%	28.2%
2,215	EBIT	**2,422**	2,197	10.2%		
12.1%	EBIT Margin	**11.5%**	14.6%			
	Oil and Gas					
3,894	Revenues	**3,563**	4,303	-17.2%	-24.8%	7.6%
1,473	EBIT	**1,531**	1,706	-10.3%		
37.8%	EBIT Margin	**43.0%**	39.6%			

- Improvement in R&M EBIT and EBIT margin due to higher refining margin
- Improvement in petrochemicals EBIT; margins impacted due to high prices
- Drop in production and sale of PI impact oil and gas EBIT, partly offset by lower depletion

Segment EBIT Bridge – 1H FY12 Vs 1H FY11



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

Net Profit Bridge – 1H FY12 Vs 1H FY11

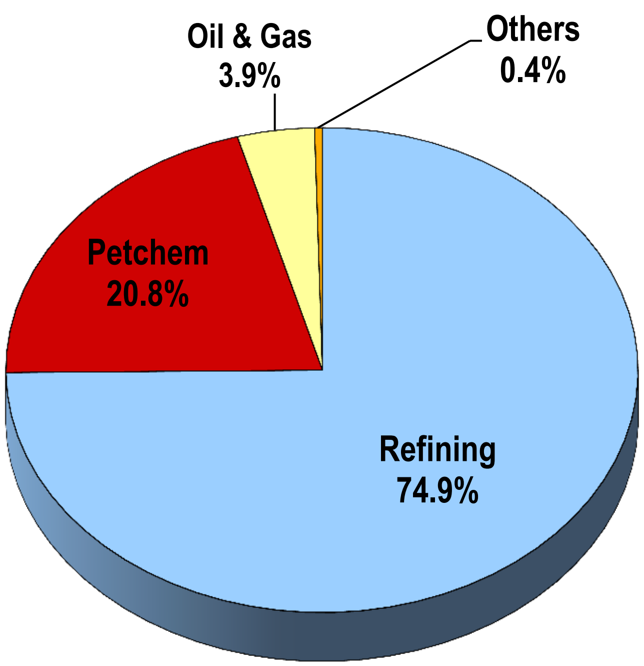
Net Profit up by ₹ 1,589 crore compared to previous period

	(₹crore)
Net Profit 1H FY11	**9,774**
Operating Profit	1,032
Other Income	786
Interest	-122
Depreciation	698
Tax	-804
Net Profit 1H FY12	**11,364**

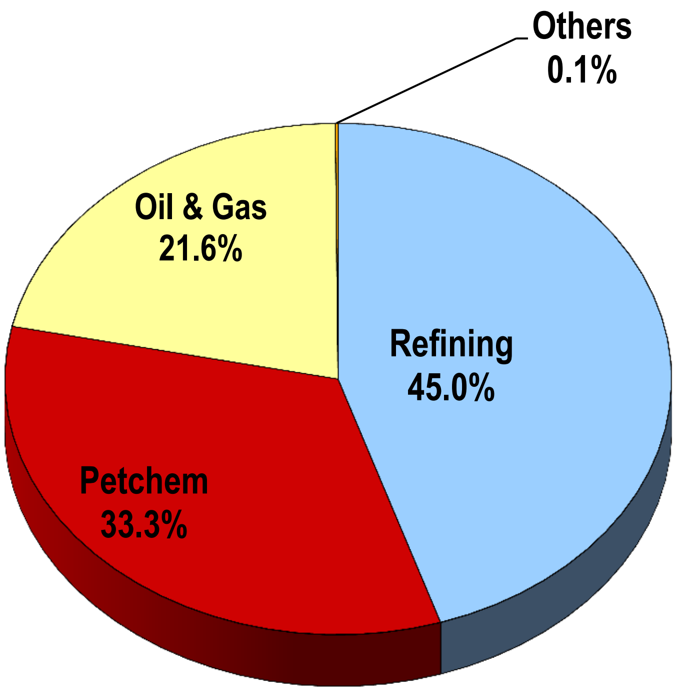
Higher net profit due to higher operating profit and other income and lower depreciation (mainly due to lower gas production and transfer of PI)

Business Mix – 1H FY12

Revenues



EBIT



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

Financial Ratios

	Sep-11	Mar-11
Cash Balance (₹ Crore)	61,490	42,393
Net Debt : Equity	0.06	0.17
Net Gearing	5.4%	13.5%
Gross Interest Cover	14.8	14.7
ROCE (%)	14.3%	13.2%
ROE (%) (Adjusted)	15.5%	15.5%

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

Oil and Gas – Exploration and Production

1H FY12 - E&P Business Highlights

- Government approves BP deal enabling India's largest energy FDI
- Proposal for commerciality of 8 discoveries in block CB-10 submitted
- Rich gas and condensate discovery in the first well drilled in CYPR-D6 (deep-water Cauvery Palar basin)
- Drilling of production wells in CBM blocks Sohagpur (East) and Sohagpur (West) - 12 wells drilled in 2Q FY12 taking total to 26 wells
- Higher production from Panna-Mukta (1H FY11 levels lower due to shutdown)
- Gross exit gas production of 210 MMSCFD and 24.7 MBPD of condensate in US shale gas
- Detailed response provided to issues raised by the CAG

1H FY12 – Production Update

2Q FY12	2Q FY11		1H FY12	1H FY11	% Chg.
		Panna-Mukta			
2.6	0.7	Oil (MMBBL)	**5.2**	3.8	**39.0%**
17.7	3.9	Gas (BCF)	**35.2**	21.6	**62.8%**
		Tapti			
0.2	0.3	Oil (MMBBL)	**0.5**	0.7	**-25.5%**
19.6	23.8	Gas (BCF)	**39.8**	51.5	**-22.8%**
		KG-D6			
1.3	2.2	Oil (MMBBL)	**2.7**	4.6	**-42.1%**
147.2	188.7	Gas (BCF)	**303.4**	380.9	**-20.3%**
0.2	0.2	Condensate (MMBBL)	**0.4**	0.3	**25.9%**

Note: Full Production volumes

- Natural decline in production profile of PMT blocks
- KG-D6 average production of 46.6 MMSCMD of gas & 16,900 BOPD of crude oil / condensate in 1H FY12 – 18 producer wells in D1-D3 and 6 in D26
- Average crude oil price realization was at $ 114/bbl for KG-D6 and $ 116/bbl for PMT (vis-à-vis $ 77 / bbl and $ 79/ bbl respectively Y-o-Y)

KG-D6 Operations & Production

- 100% uptime performance
- Cumulative JV gas production since inception of 1.56 TCF
  - Average gas production rate for 2Q FY12 of 45 MMSCMD
  - Total gas production for 2Q FY12 at 147 BCF
- Cumulative JV oil production since inception of 16.9 MMBO
  - Average oil & condensate production for 2Q FY12 of 16,000 BOPD
  - Total oil production for 2Q FY12 at 1.5 MMBO
- 22 wells in D1-D3 of which 18 are producer wells
- 6 wells in D26 field are under production including 1 gas injection well which was brought into gas production

Over 900 days of 100% uptime performance

RIL-BP Partnership

- Government approved the deal on 8th August 2011 and it closed on 30th August; 30% participating interest in 21 blocks assigned to BP

- Revised PSCs signed by RIL and BP (and Hardy & Niko, where applicable) submitted to the Government

- RIL receives full consideration as per the agreement

- Key integration teams are in place, reviewing:

  - Strategy for developing resources including exploration opportunities in the acreage of 270,000 square KMs

  - Setting up of a 50:50 JV aimed at sourcing and marketing of gas in India, including creation of receiving, transporting and marketing infrastructure

  - Maximizing production from KG-D6

Shale Gas Business Overview

Reliance Shale Gas Business

- Impressive developmental progress across all JVs during the quarter
  - 19 rigs operational at the end of the quarter.
  - Additional rigs and frac crews contracted for Chevron and Carrizo JVs
- Significant growth in production
  - Gross production exit rate of 210 MMSCFD gas and 24.7 MBPD condensate
  - Reliance's share at 6.2 BCF gas and 758 MBBL of liquids (NGL + condensate) in 2Q FY12; growth of 53% & 76% respectively over 1Q FY12
- Development activities focused on efficiency and market access
  - Thrust on 'sweet-spots' of the respective plays
  - Drilling with longer laterals and optimising completion design
  - Midstream solution for Carrizo and building Pioneer midstream

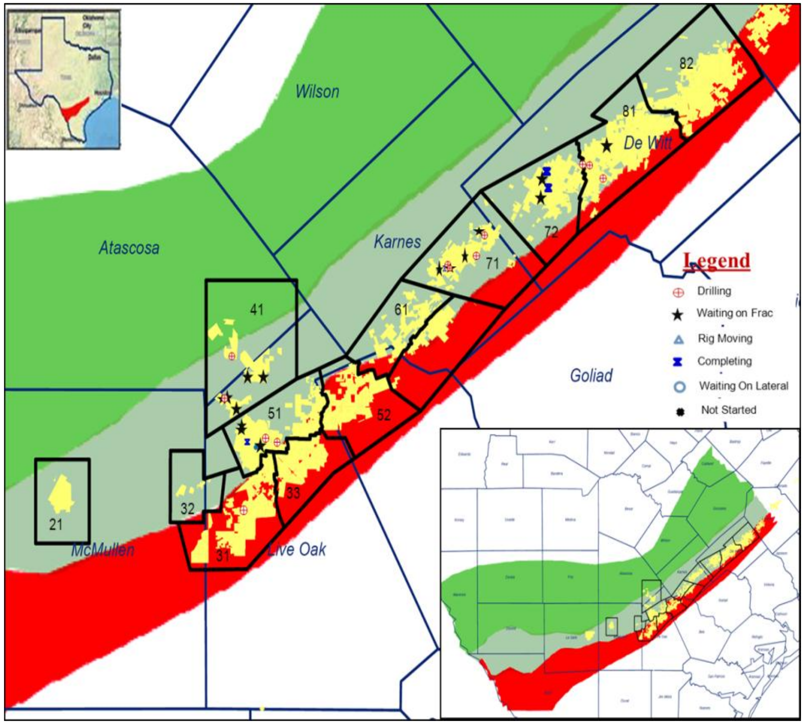
US shale ventures on track to make a material contribution to Reliance earnings

Pioneer JV: Development Progress Overview

- Accelerated drilling and development continues
  - 12 rigs in operation at the end of the quarter
  - 36 wells drilled during Q2FY12; 106 wells drilled so far
- Production ramp up impressive
  - 75 wells producing at the end of Q2 FY12
  - 33 wells put on production during the quarter
  - Gross exit rate of production for JV at ~280MMscfepd, including ~24,700 Bpd of condensate
  - Reliance's share of gross production at ~8.7 Bcfe in Q2
- Midstream JV progressing as per plan
  - 6th & 7th CGP commissioned;
  - Further build-out of system with 350 MMscfpd treatment gas capacity and 40 Kbpd liquids stabilization capacity .
- $398 MM capex in Q2FY12; Cumulative investment of $1,472 MM so far in both upstream and midstream JVs (Includes Reliance share of midstream JV borrowings)

(As on Sept 30, 2011)

	Wells drilled	Wells completed	Wells Producing
Q1'12	70	61	42
Q2'12	106	87	75



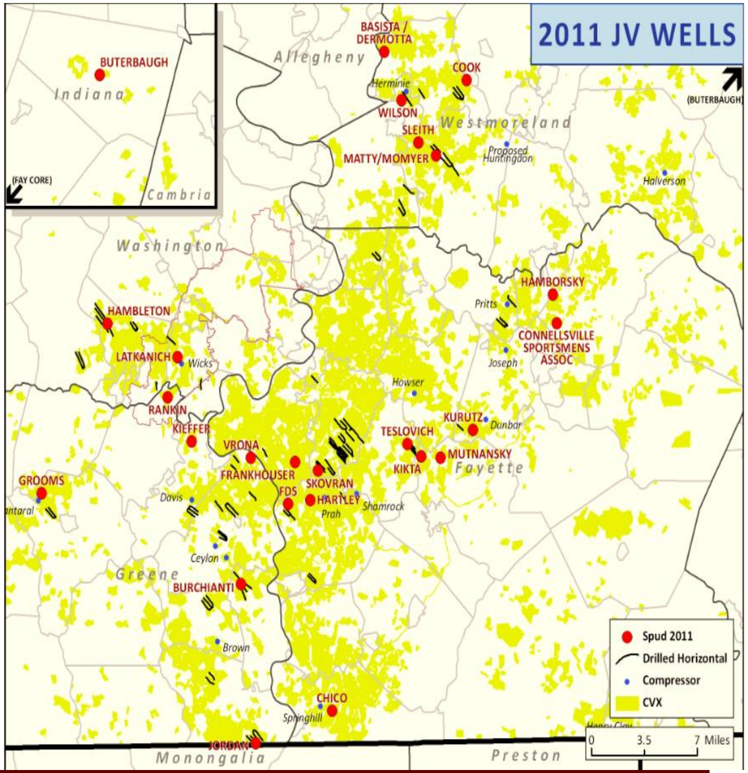
Continued impressive ramp-up with focus on liquid-rich areas

Chevron JV: Development Progress Overview

- 5 horizontal rigs and 1 frac crew in operation at the end of Q2.
- 29 wells in production with gross exit production rate ~ 67 MMscfed at JV level
  - Encouraging IP rates; production in-line with expectations.
  - Wet gas wells commenced condensate production
  - Reliance's share of gross production at ~2.1 Bcfe in Q2FY12
  - Additional Production awaiting midstream availability.
- Efforts on to reduce well inventories; 3 additional rigs and one additional frac crew planned in Q3FY12.
- $102 million of additional capex (incl. carry) during Q2FY12; Cumulative investment of over $791 million till date

(As on Sept 30, 2011)

	Wells drilled	Wells Completed	Wells Producing
Q1'12	48	42	23
Q2'12	57	49	29



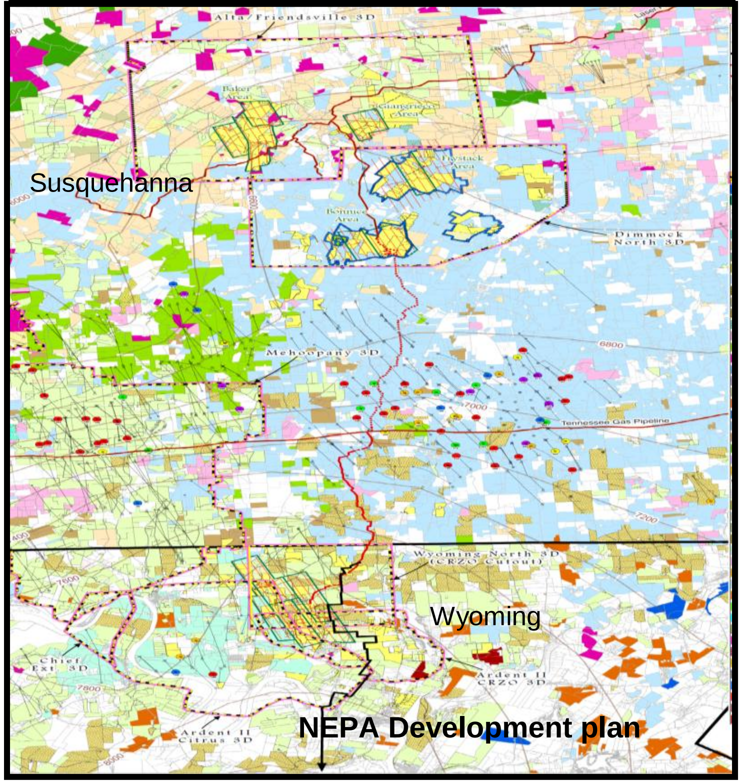
Integration with Chevron process and systems progressing well

Carrizo JV: Development Progress Overview

- Two core areas for the JV: Northeast PA ("NEPA") & Central PA ("C-Counties")
- First production from NEPA expected during Q3FY12
- NEPA development highlights
  - Well completion activities have commenced . Long term frac crew contracted to push well inventories into production.
  - Pipeline construction nearing completion to support first sales during Q3 FY12
  - Encouraging well performance for other players in the area
- C-County development highlights
  - Initial 6 wells testing and delineation program commenced for 2011 to ensure better development planning and optimization of future plans.
  - Finalized midstream solution for C-country development
- $44 million of additional capex (incl. carry) during Q2FY12; Cumulative investment of over $446 million till date.

(As on Sept 30, 2011)

	Wells drilled	Wells Completed	Wells Producing
Q1'12	10	-	-
Q2'12	18	-	-



Progressing towards first JV sales from NE PA in Q4 CY 2011

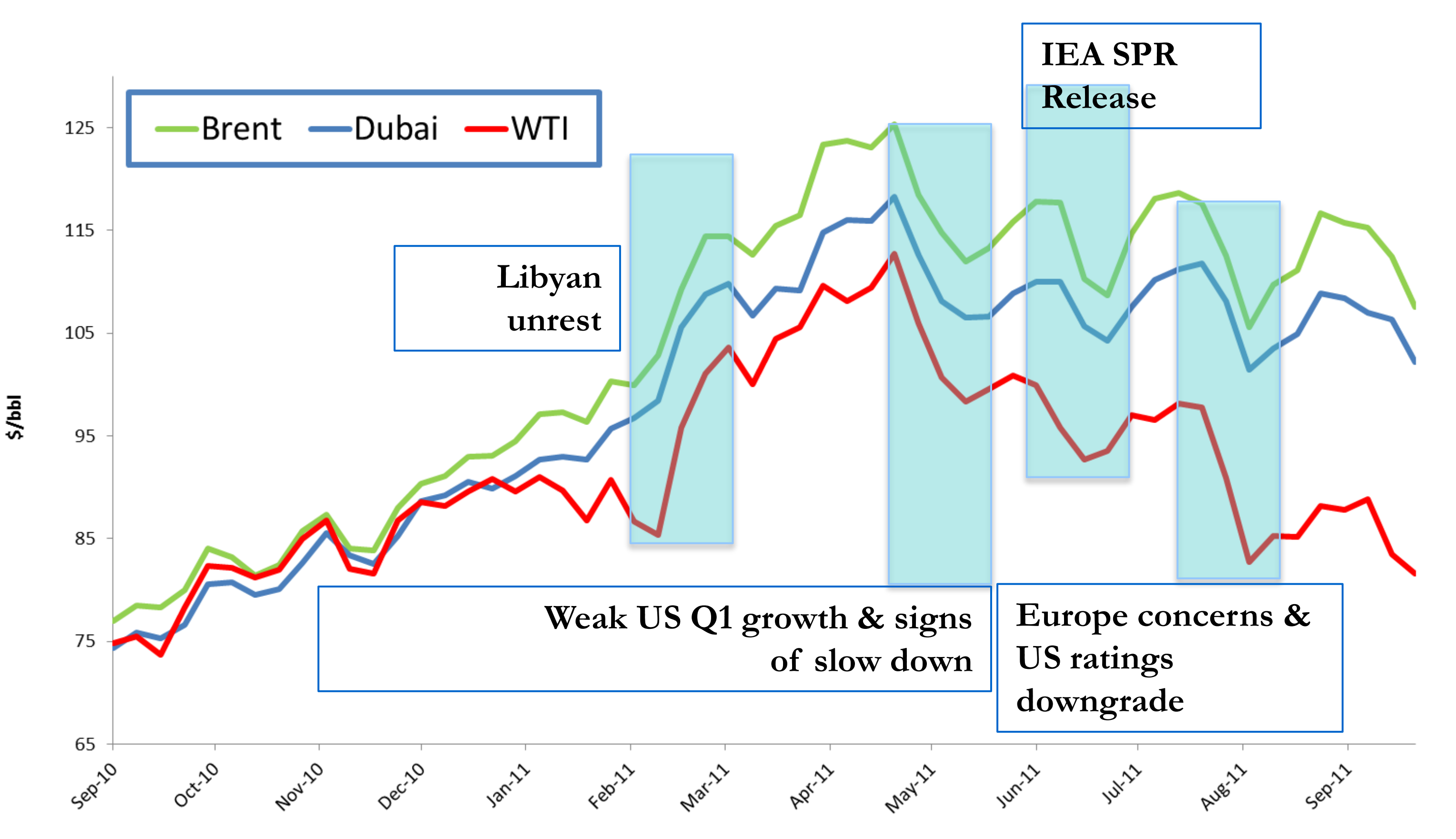
Refining & Marketing

1H FY12 R&M Business Environment

- Macro events creating supply disruptions and hence price volatility - Brent touched $ 126/bbl (May) and dropped to $ 105/bbl (Sept)
- IEA projects oil demand growth at 1.0 Mbd for 2011 & 1.3 Mbd for 2012
- Higher US oil production and logistic bottlenecks impact WTI resulting in widening WTI-Brent differential to $ 30/bbl in September
- Global refining margins continue to improve
- US refiners benefitting from access to cheaper WTI crude basket
- Asian refining benefitting from higher gasoline and fuel oil cracks due to supply disruptions and growing demand from emerging economies
- Strength in fuel oil impact Arab Light-Heavy differentials

Macro-economic issues making business environment more challenging and volatile

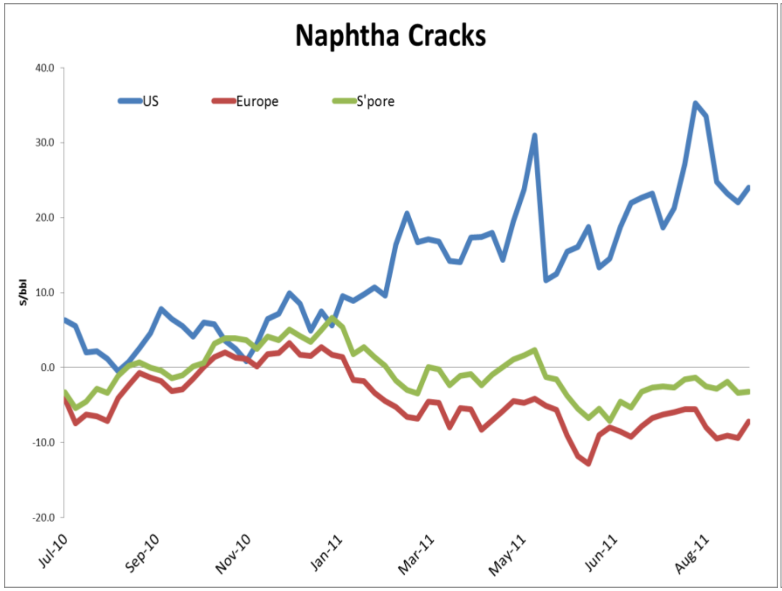
Crude Prices – Event Driven Volatility

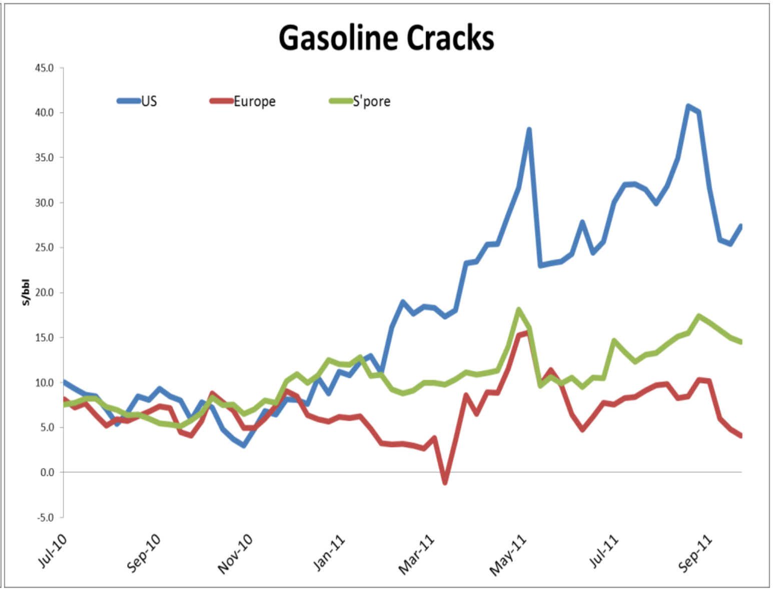


Source: Platts

Supply disruptions and macroeconomic uncertainties result in price volatility

Product Cracks: Light Distillates



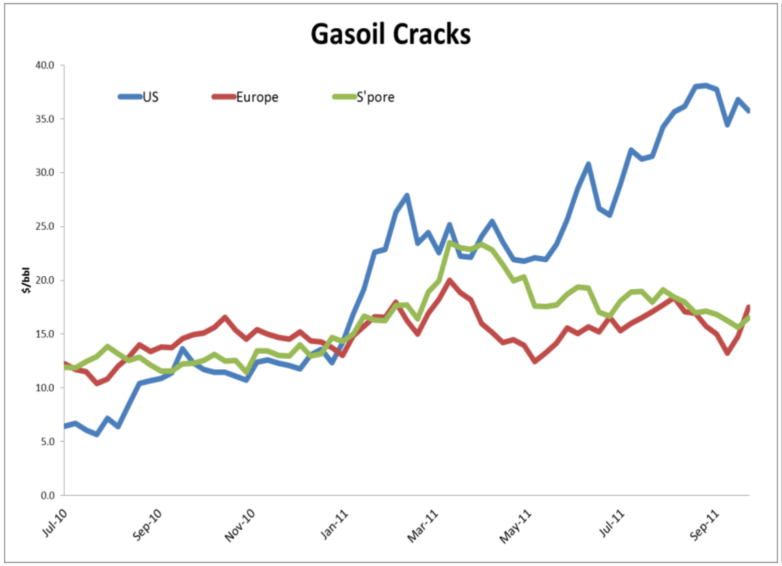


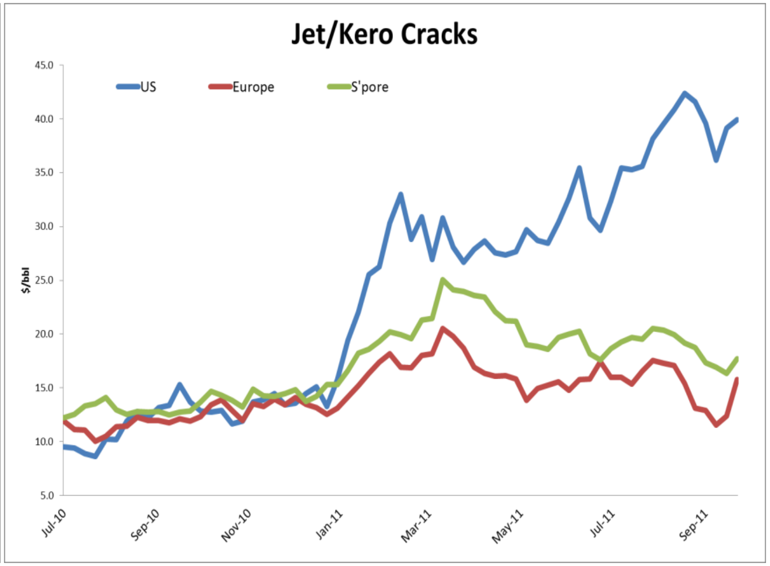
Source: Platts

- Adequate supply, regional cracker outages & slowing petchem demand impact Asian naphtha cracks
- Asian gasoline cracks benefit from unplanned outages and lower Chinese export
- US cracks benefit from widening Brent-WTI differential
- Higher US exports impact European cracks

Prevailing conditions benefiting US and Singapore refining margins

Product Cracks: Middle Distillates



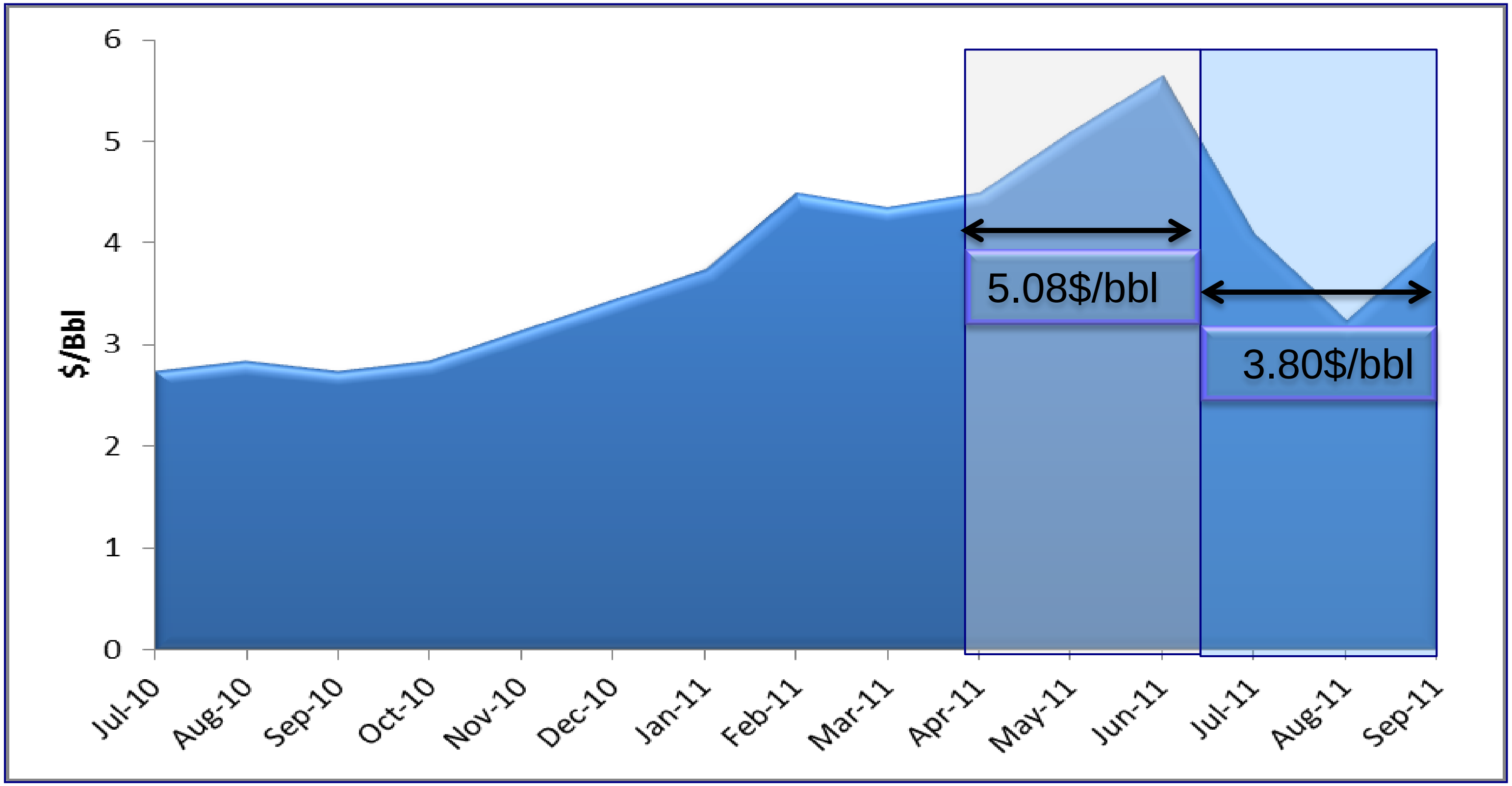


Source: Platts

- Gasoil cracks at Singapore correct as the impact of shutdown in Japan continues to reduce
- Surge in US exports in both light and middle distillates impact product cracks

Asian refiners with larger middle distillate volumes impacted by weaker product cracks

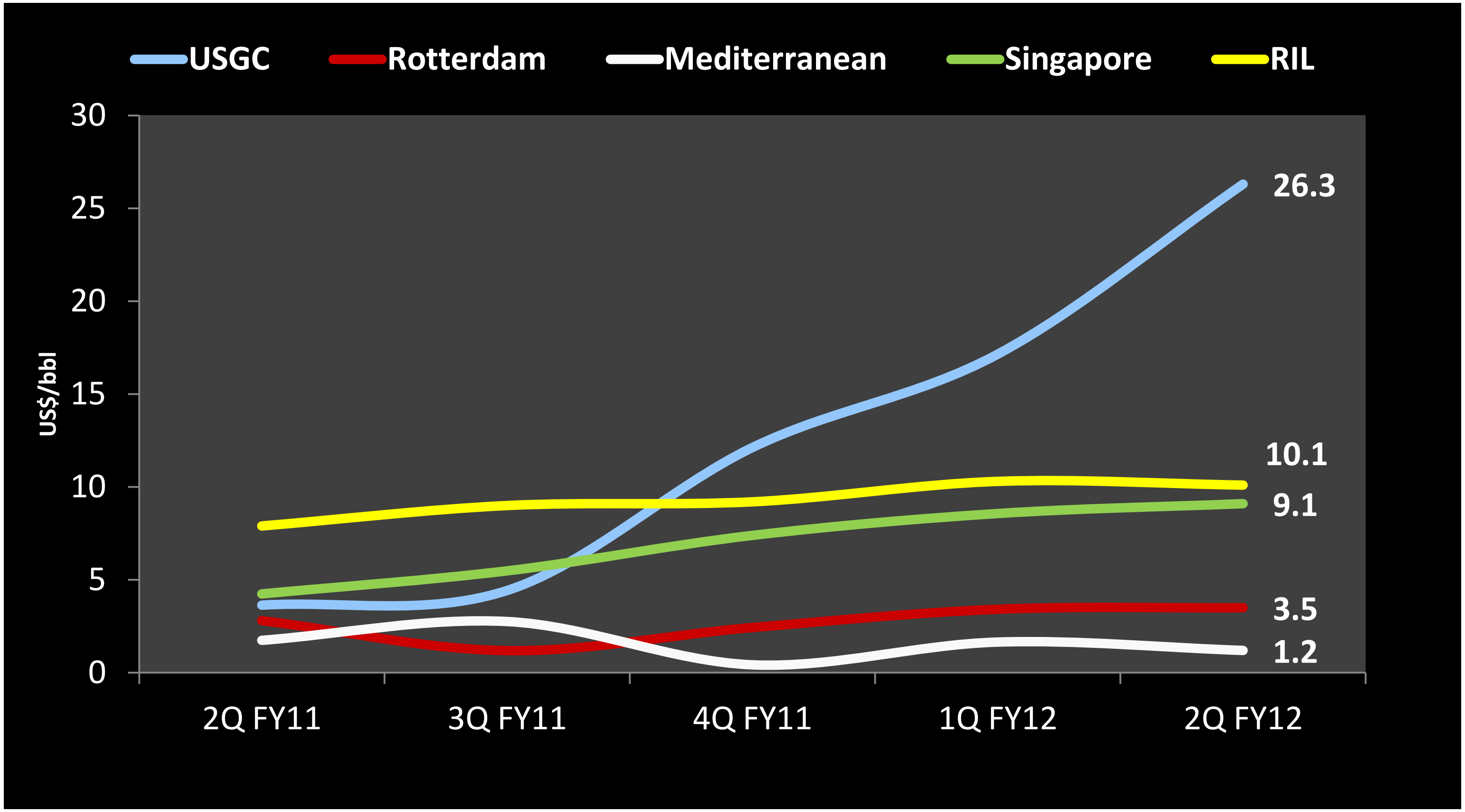
Light Heavy Differentials



Source: Reuters

Strength in Asian FO market increased demand for heavy crude grades; lowering Arab L-H differentials

Regional GRM Trend



Source: Reuters

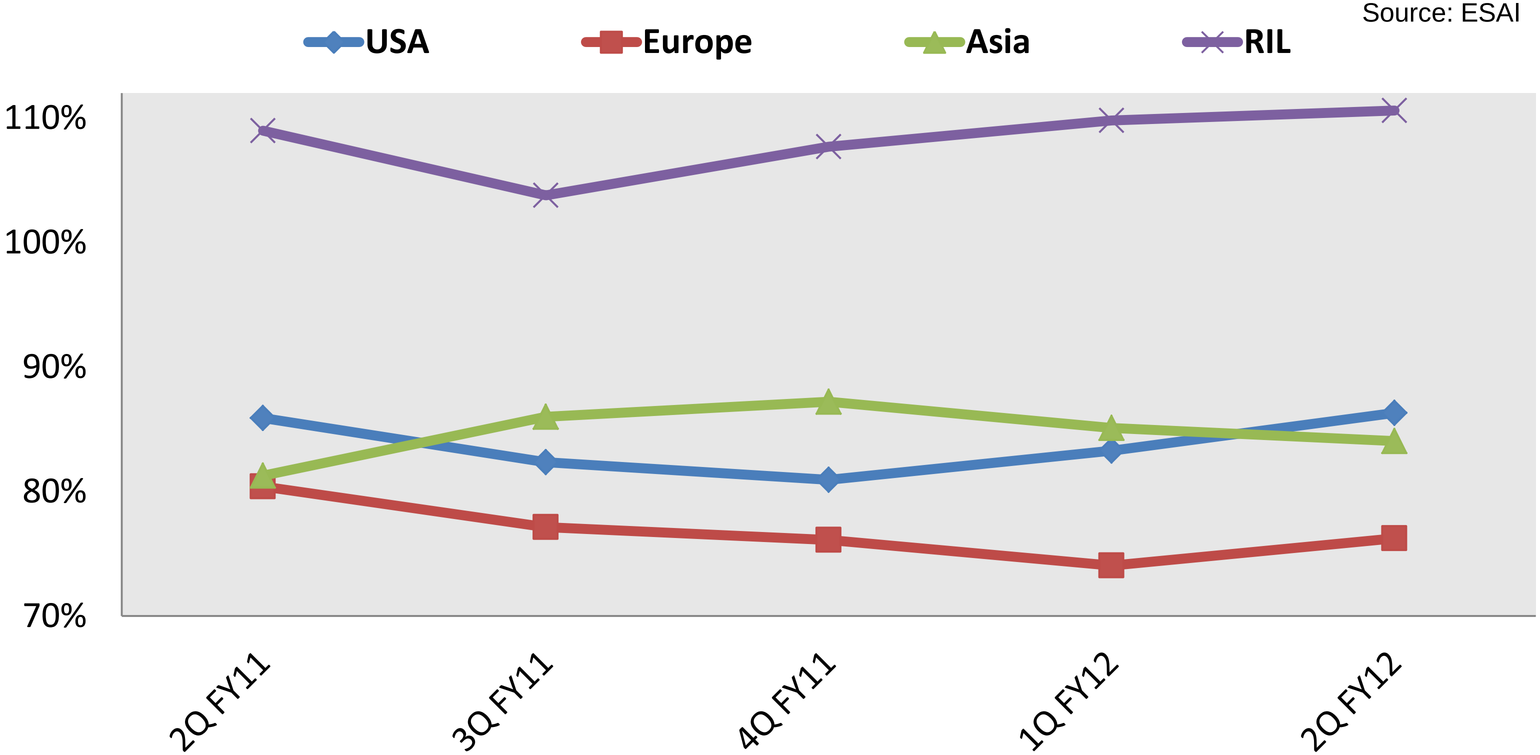
Singapore complex benefitting from the $ 6/bbl Brent-Dubai differential

US mid-west refiners benefitting from WTI price dislocation

On a 1H FY12 versus 1H FY11 basis, RIL achieves a GRM growth of 32%

Refinery Operating Rates

Source: ESAI



Asian utilization rates remain suppressed due to unplanned outages

High refining margins in US push run rates beyond 5 year average

RIL continues to focus on improving operating rate with over 110% capacity utilisation

1H FY12 RIL Business Highlights

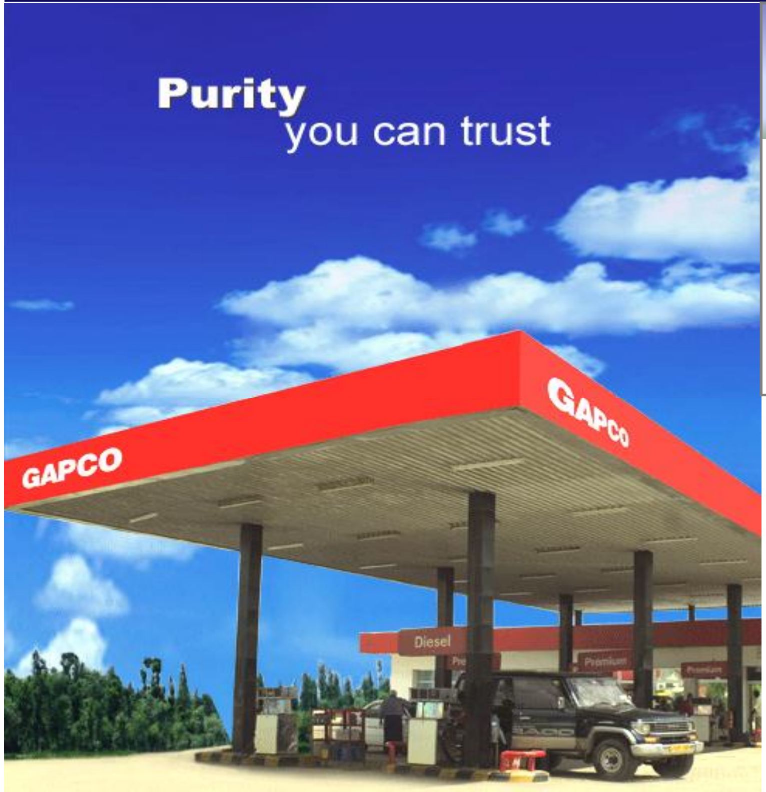
- Significant improvement in GRM on a Y-o-Y basis
  - GRM of 10.2/bbl in 1H FY12 (up 32% versus $ 7.7 in 2Q FY11)
  - GRM of 10.1/bbl in 2Q FY12 (up 28% versus $ 7.9 in 2Q FY11)
- Ongoing improvement in crude throughput, processed 34.1 million tonnes
  - Operating rate of 110% in 1H FY12
  - Operating rate of 111% in 2Q FY12
- Marginal improvement in product exports
  - Export volumes of 20.3 Million Tonnes in 1H FY12
  - Export volumes of 10.9 Million Tonnes in 2Q FY12

Highest ever half-yearly refining business EBIT of ₹ 6,273 crore

Refinery Product Sales

(Unit in KT)	1H FY12	1H FY11	% change
PSU	5,013	5,190	-3%
Exports	20,183	19,680	3%
Captive	5,047	4,833	4%
Domestic (Bulk + Retail + Industrial)	3164	3055	4%
Total – Refinery Sales	33,407	32,758	2%
Inter Refinery Sales	2,716	2,521	8%

GAPCO



Segment	Sales ('000 KL)	
	1H FY12	1H FY11
Retail	97	83
Reseller	151	172
Industrial	64	91
Exports / High Seas	449	393
TOTAL	**761**	**739**

Product	Sales ('000 KL)	
	1H FY12	1H FY11
Gasoline	259	262
Gasoil	290	249
Jet / Kerosene	167	150
Others	45	78
TOTAL	**761**	**739**

Performance Highlights ($ Mn)	1H FY12	1H FY11
Sales Volume (TKL)	761	739
Sales Revenue	729	542
Gross Margin	19	19
EBITDA	11	13
PBT	6	9

Petrochemicals

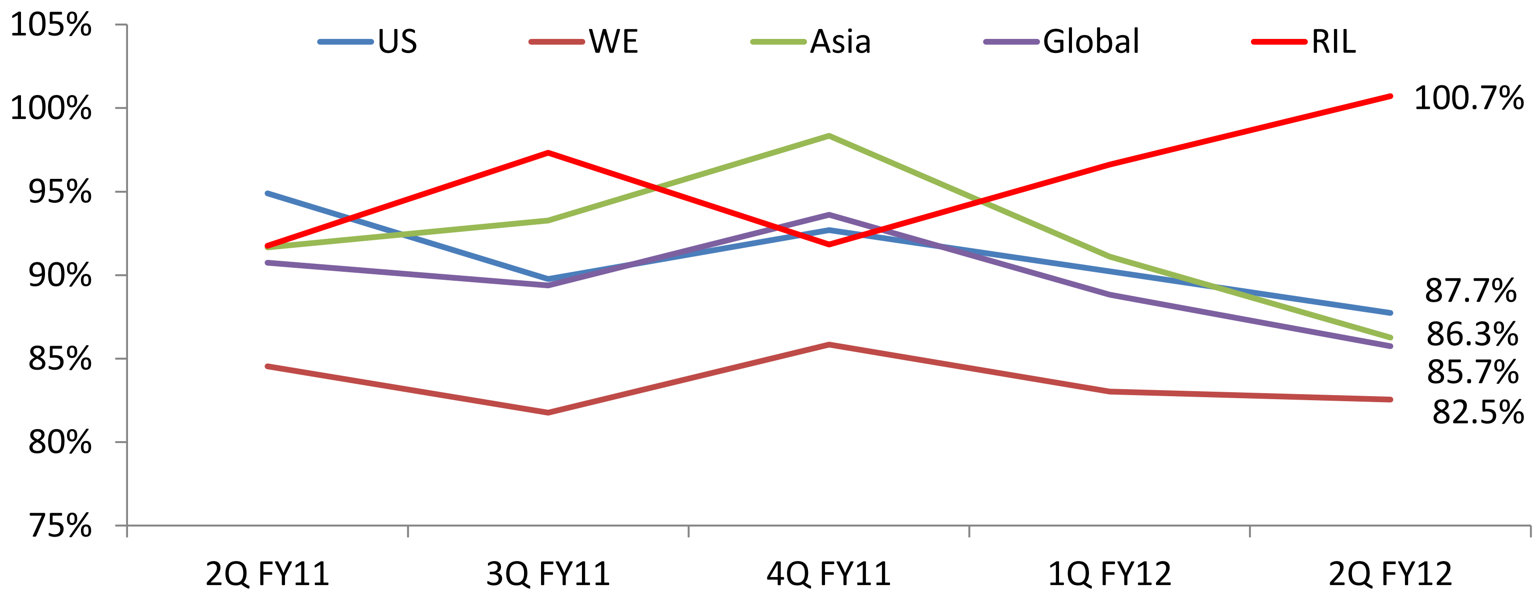
Polymers

1H FY12 - Business Environment

- No new cracker start-ups in 2011. Incremental annual global capacity addition in next 5 years of 3% p.a. as compared to demand growth of 4.6% p.a.
- Low gas price beneficial to US crackers
- Polymer margins impacted as feedstock prices rise faster than product prices
  - PE margins also under pressure due to new supply
  - PP & PVC margins remain higher than their 5 year average
- Domestic polymer demand remained unchanged
- RIL operated all its crackers at near 100% - polymer production up 11% in 1H FY12

Feedstock prices remain volatile during the period; recent softening on the crude and naphtha front improving cost position of Asian crackers

Global Operating Rates

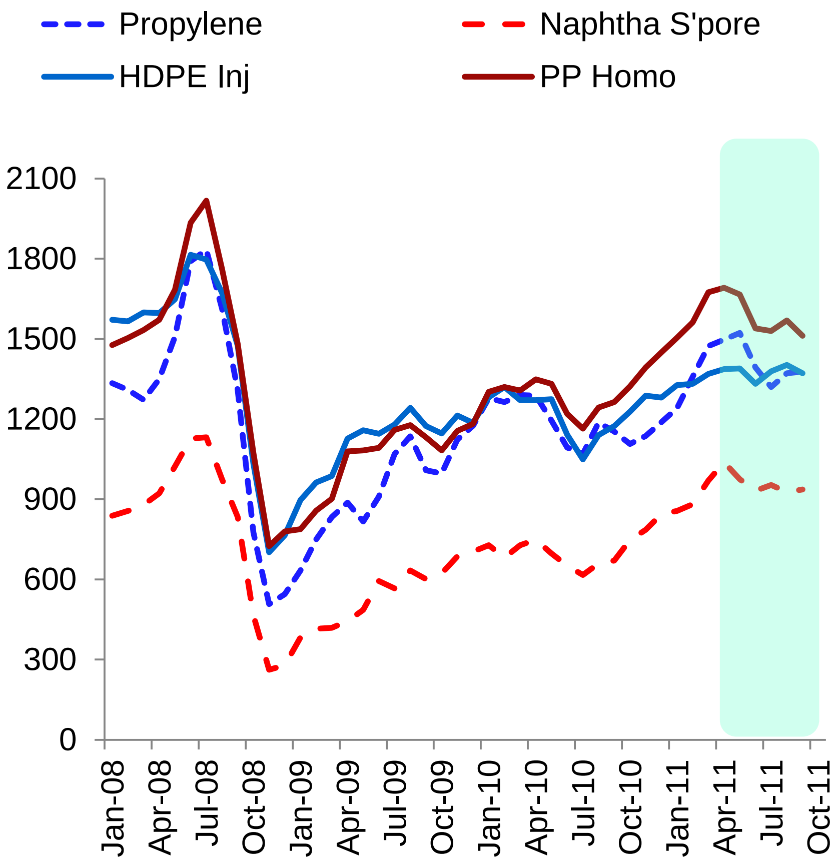


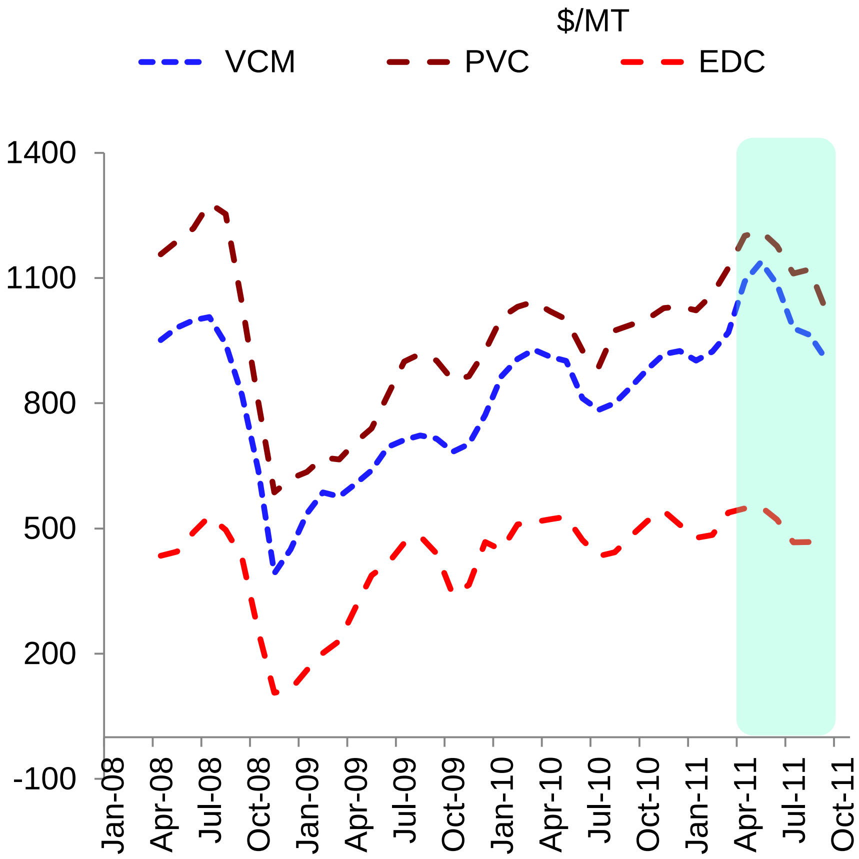
- Global operating rates averaged at 85.7%
- Asian operated at 86.3%; impacted by shutdown & high naphtha prices
- U.S. operating rate was 87.7% supported by gas cracking economics

New capacity in ME impacting operating rates in Asia

US capacities being impacted by lower operating rates of liquid crackers

Polymer Price Trend

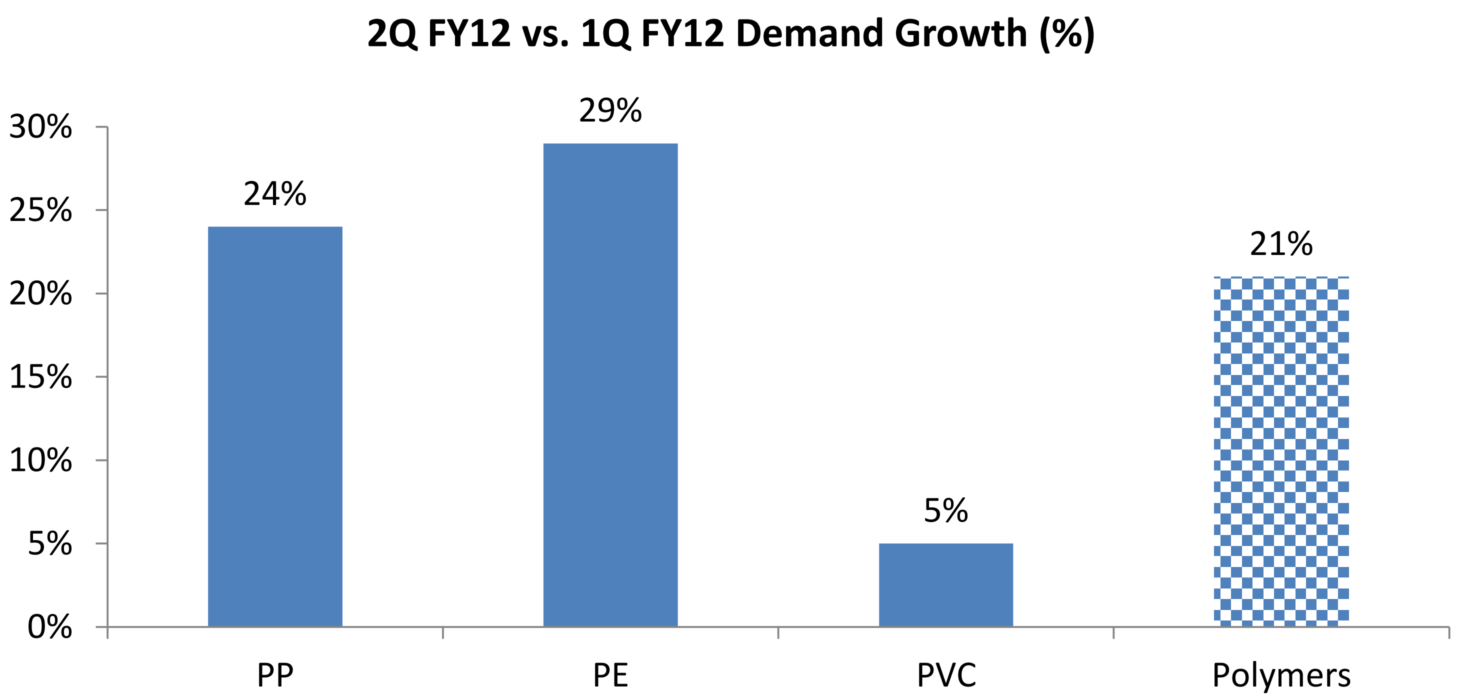




Source: Platt's

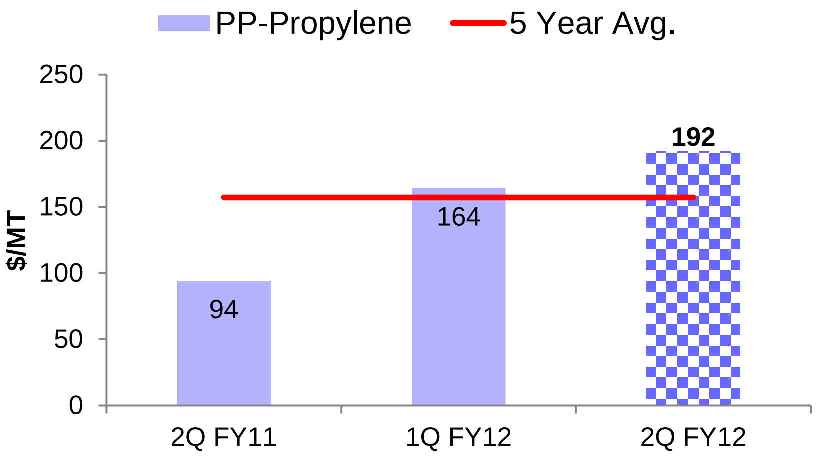
Sharp movement in PE-PP prices (up 17-26% on Y-o-Y) in line with increase in feedstock prices

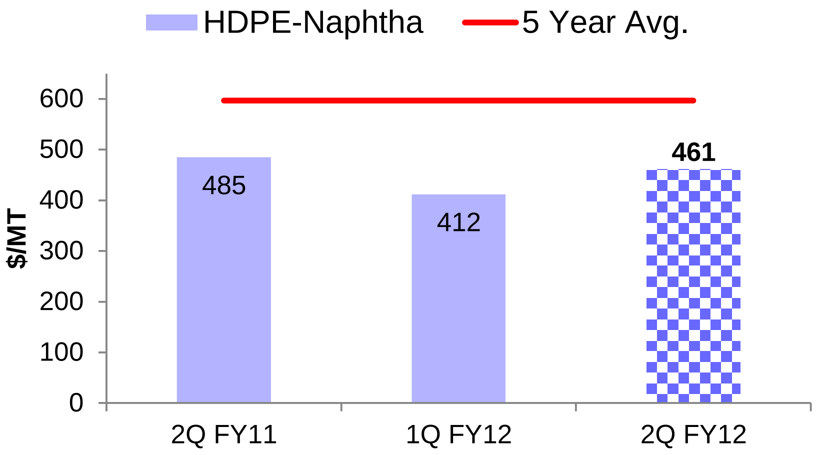
Polymers – Domestic Demand



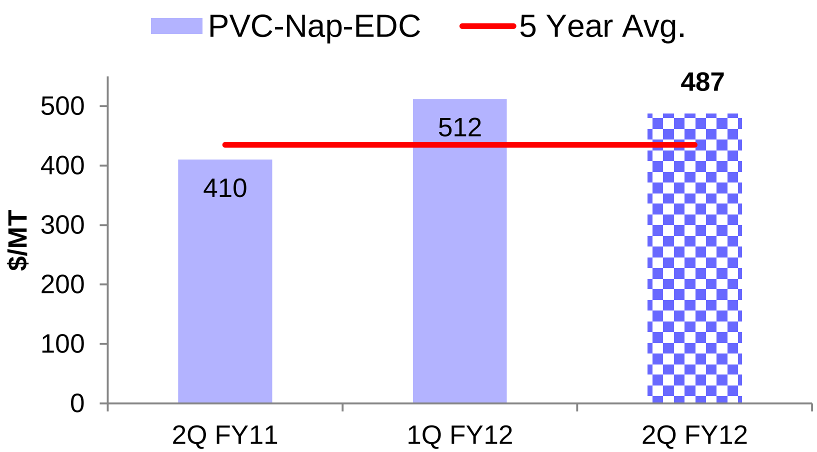
Sharp resurgence in Q-o-Q demand; Growth in 1H FY12 remained flat due to slowdown in 1Q FY12

Polymer Deltas – 2Q FY12





- PE delta continue to remain under pressure due to new ME supplies & high naphtha price
- Strong PP delta due to better realization and lesser increase in propylene price
- PVC – EDC delta remained above 5 years average due to strong demand from agri sector



Prices Source: Platt's CFR SEA

Global softening of demand and low cost supplies is keeping the PE margin under pressure – however, PP & PVC delta remain strong

RIL- Strong Operating performance

- RIL's polymer production was up 11% on Y-o-Y basis (impact of cracker turnaround in 1H FY11)
- RIL increased its domestic market share (PP,PE,PVC) by 2% to 50%
- Exports were at 497 KT representing an increase of 48% on Y-o-Y basis - highest ever half-yearly polymer exports by RIL

Production (KT)	1H FY12	1H FY11	% change
PE	535	436	22.7%
PP	1375	1260	9.1%
PVC	315	307	2.6%
TOTAL	**2225**	**2003**	**11.1%**

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

Petrochemicals

Polyester and Fibre Intermediates

1H FY12 – Business Environment

- Growth centered around emerging/developing markets even as developed markets face economic uncertainties
- Feedstock supply disruption on account of fire outages and natural calamities
  - Feedstock prices rise faster than polyester prices thus impacting standalone margins
  - MEG prices at 4-years high
- Integrated producers benefit as chain delta rises 31% over long-term average of $ 732/MT
- Demand growth remained flat for the first half mainly on account of slow down in 1Q FY12. However, strong rebound in demand growth, up 21% on Q-o-Q basis in line with strength in seasonal demand
- Despite higher global cotton supply, the prices are likely remain firm and above 10 years average of $ 1,322/MT due to replenishment of stock and expected stock build-up by China

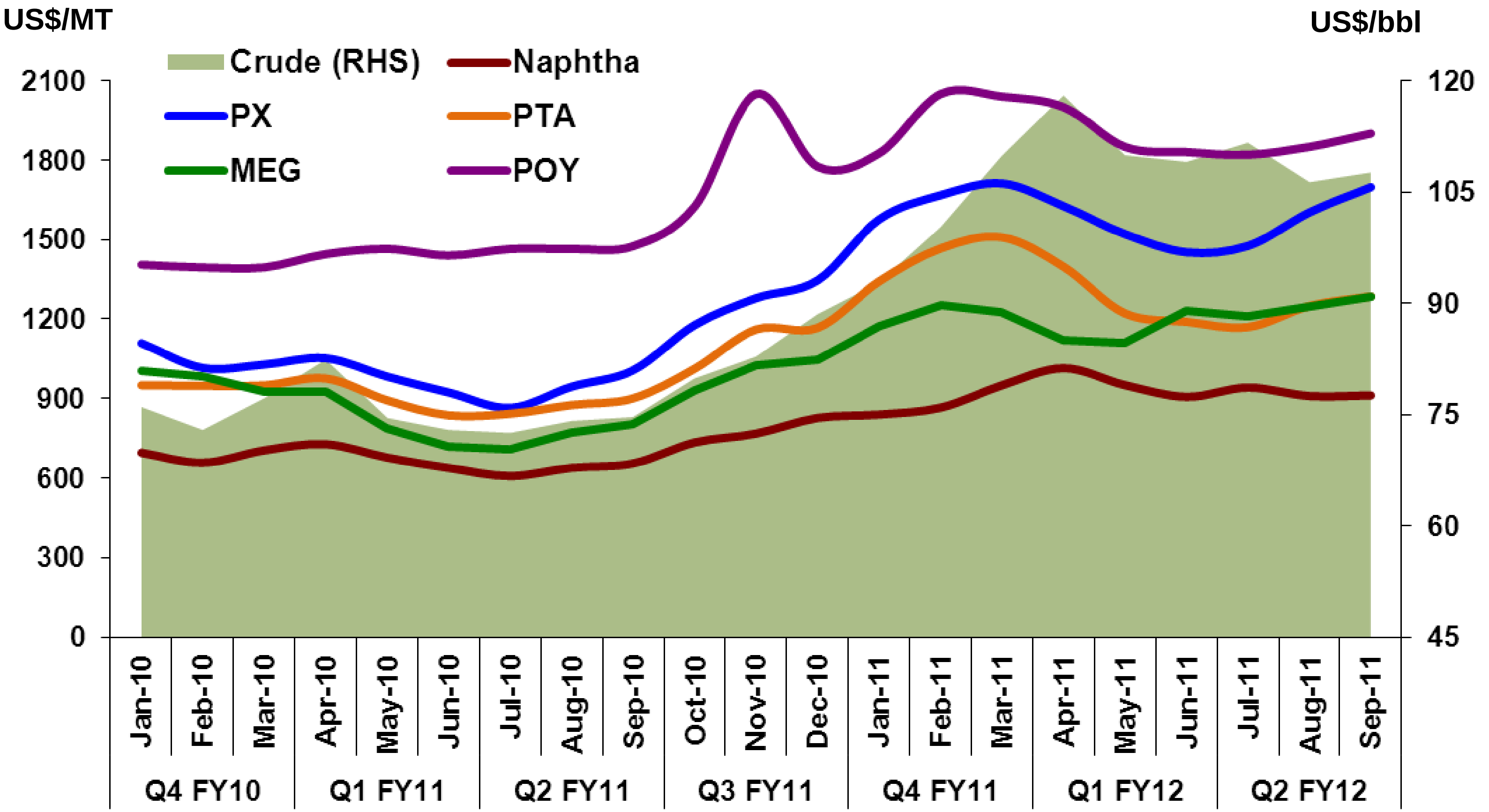
Global Price Movement: 1H FY12

$/MT	1H FY12	1H FY11	% Change
Crude Oil ($/bbl)	114	78	46%
Naphtha	939	657	43%
PX	1565	960	63%
PTA	1258	886	42%
MEG	1198	787	52%
POY	1875	1459	29%
PSF	1748	1272	37%
PET	1682	1219	38%

Source: Opec, ICIS, Platts, PCI

- Supply concerns in PX/MEG due to incidents in China and Taiwan
- New supply of PTA (mainly in China) kept prices subdued in 2Q FY12
- Integrated polyester producers like RIL benefit from high chain delta

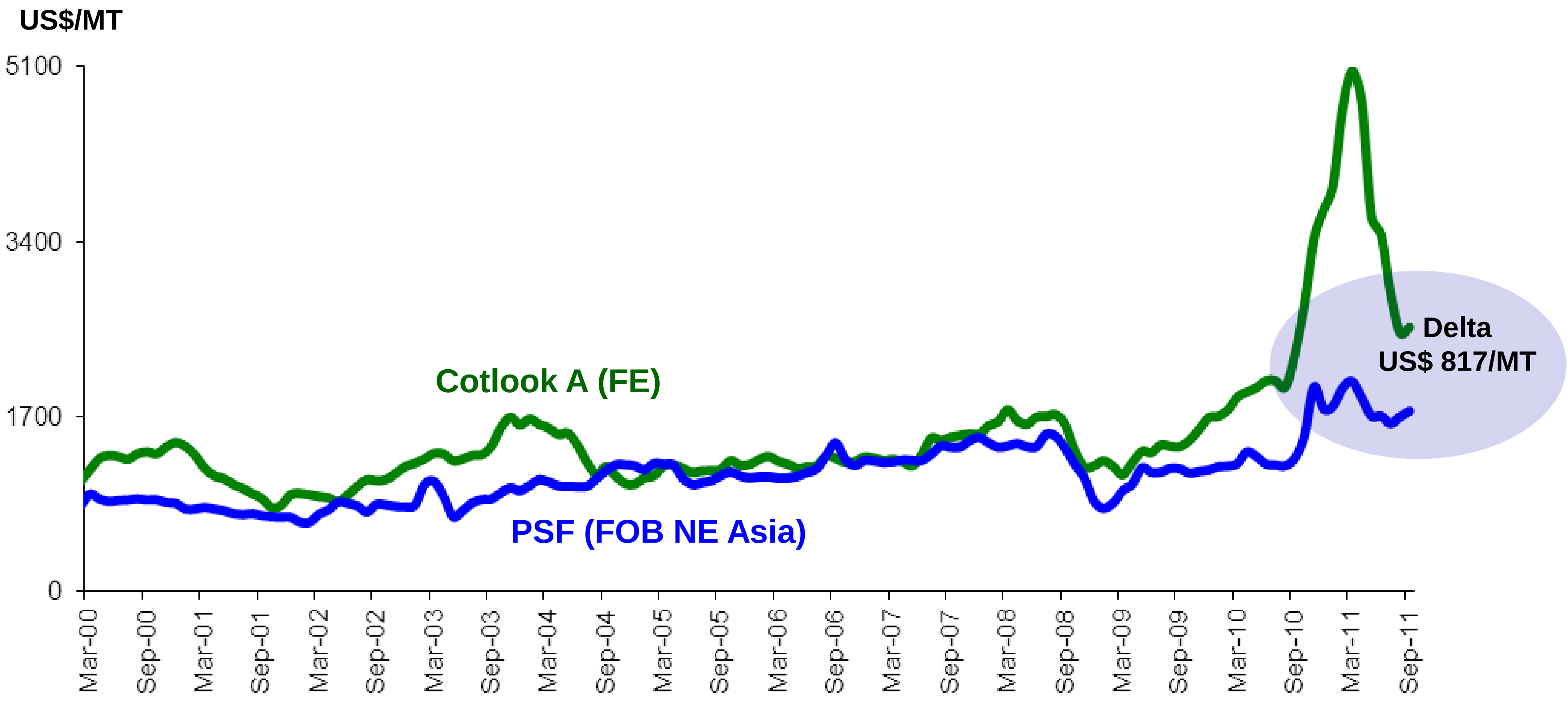
Global Price Movement



Source: Opec, ICIS, Platts, PCI

Polyester chain prices were impacted by supply disruptions

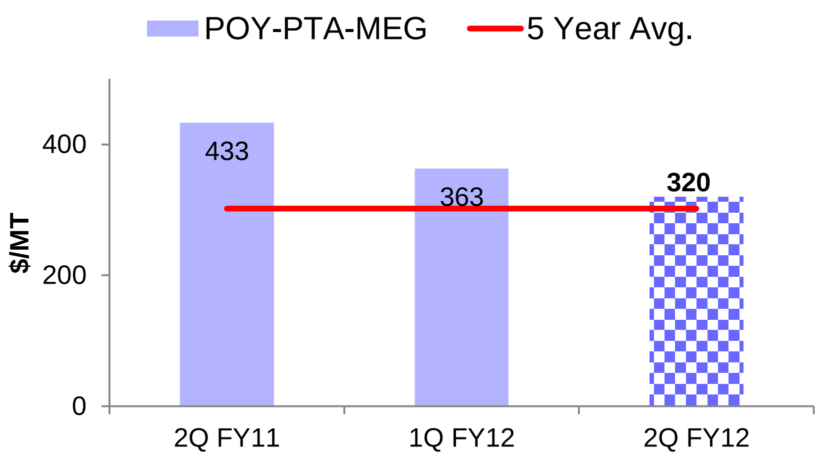
Global Cotton and PSF Prices

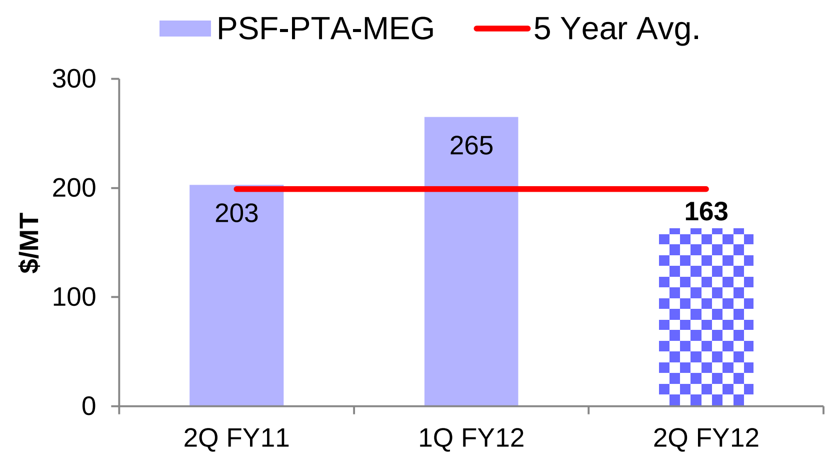


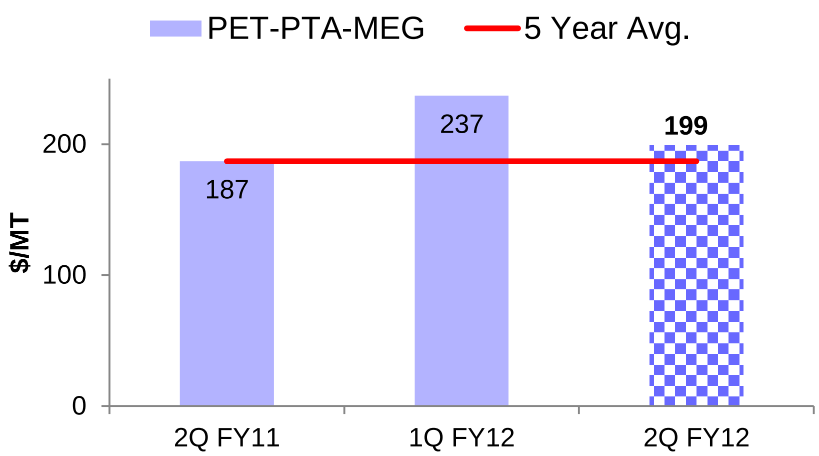
Source: Cotlook and ICIS

Cotton-PSF delta continues to remain higher than long-term range of $ 300-400/MT

Polyester Margin Environment

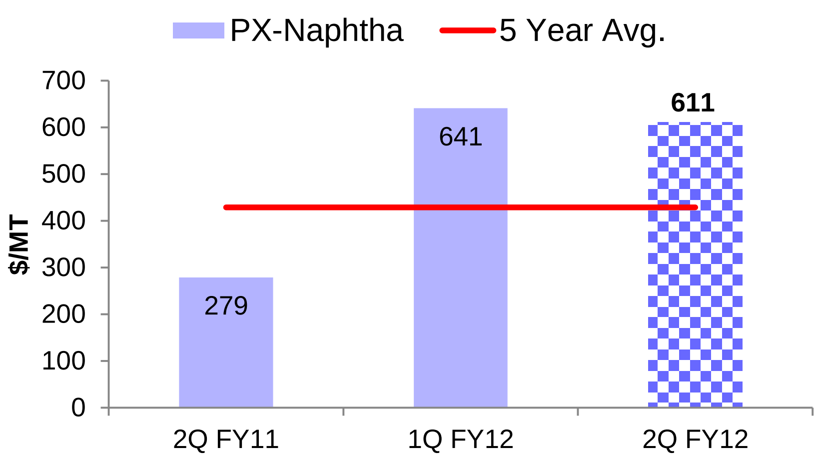


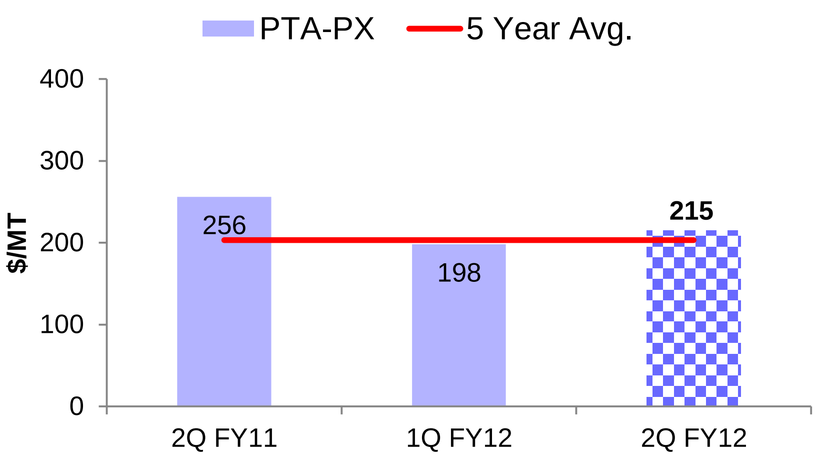


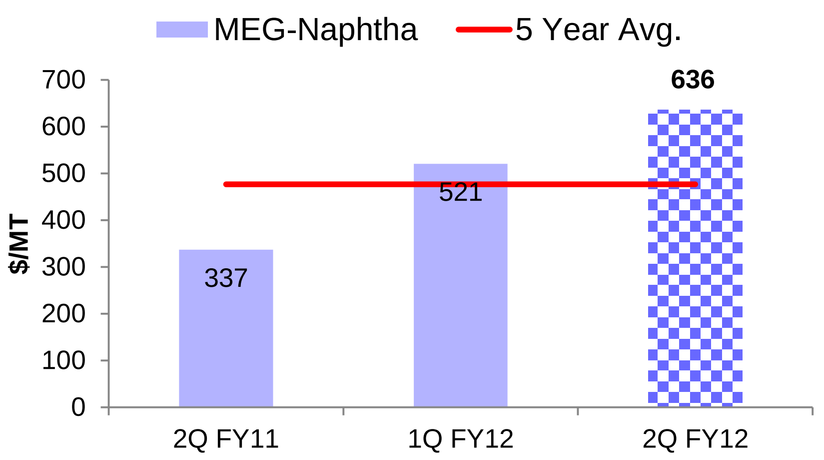


- Higher fibre intermediate prices impact polyester deltas
- Strong end product demand provide support to PET delta

Fibre Intermediates Margin Environment

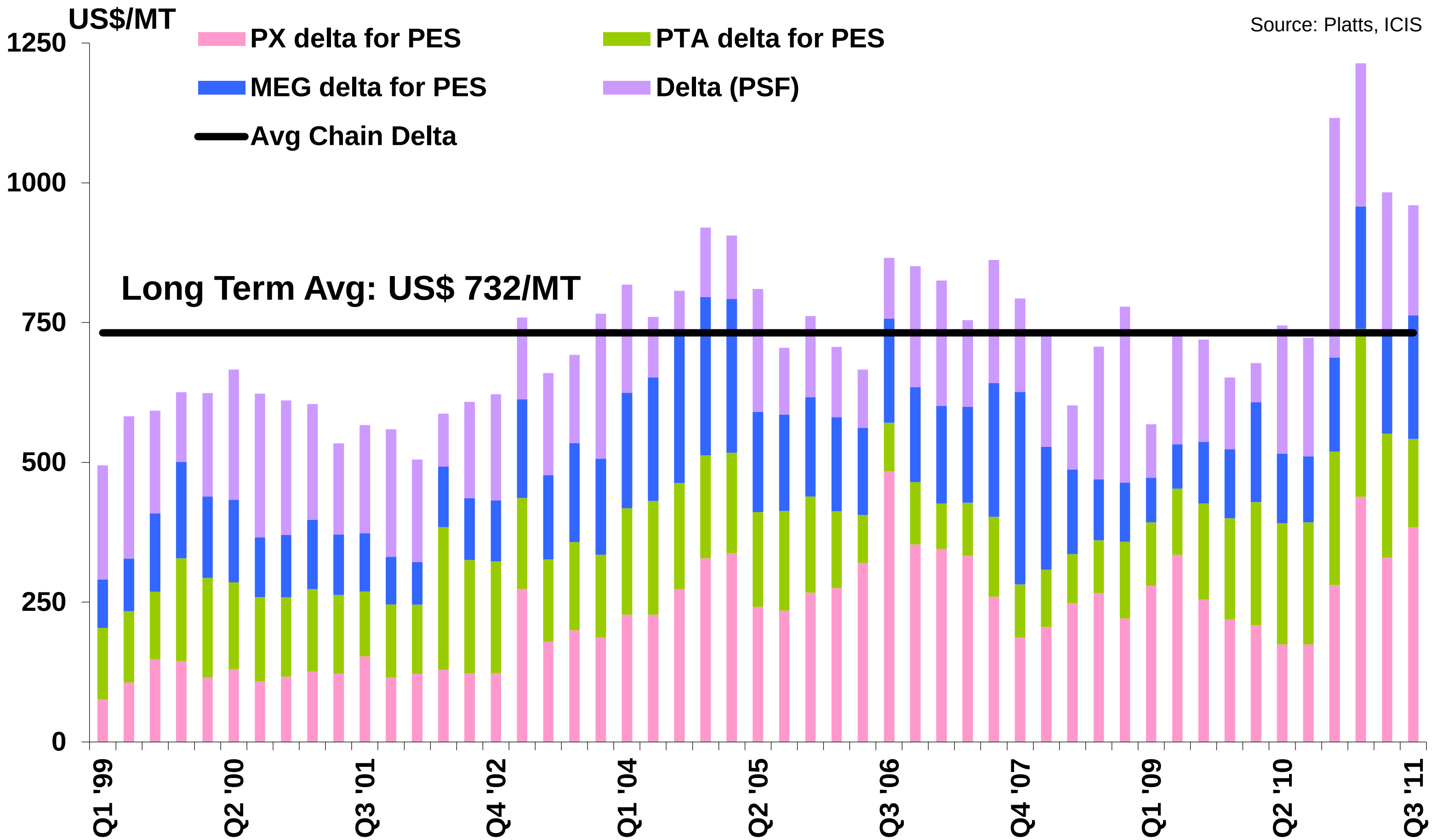






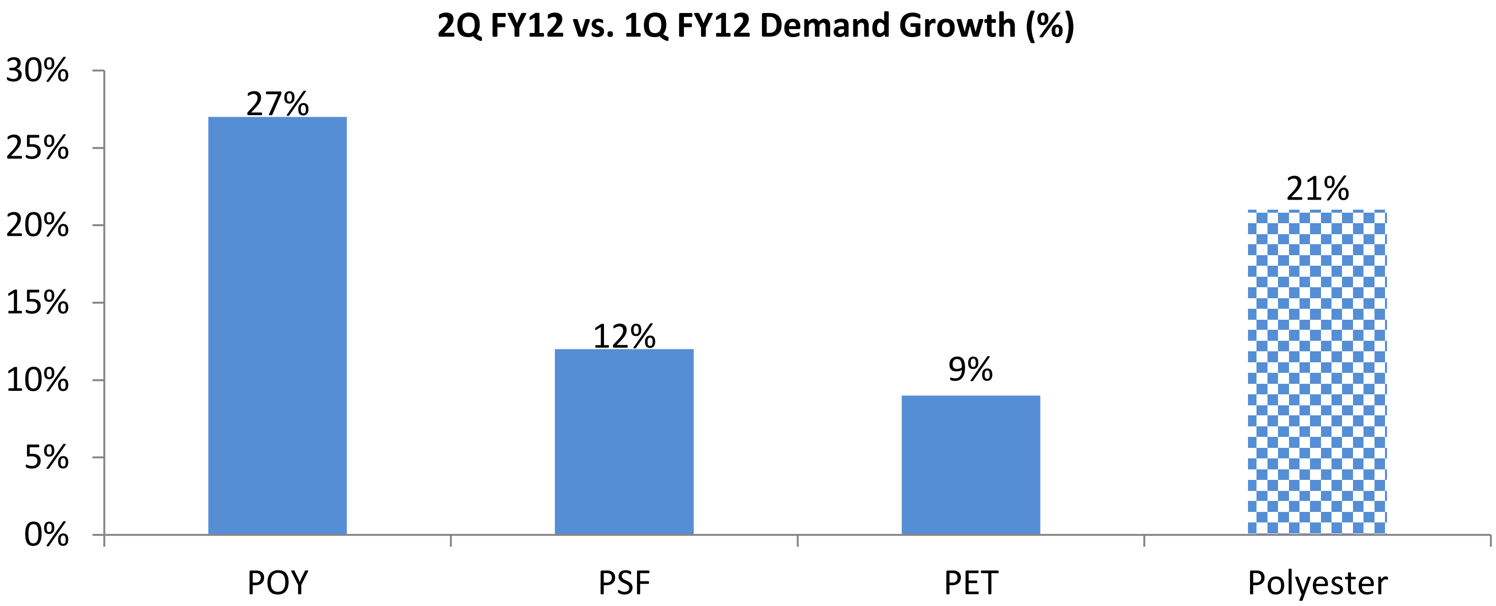
- Steep rise in PX and MEG deltas on account of supply disruptions
- Start-up of new capacities impacted PTA delta

Polyester Chain Delta



Polyester chain delta up 31% over the long-term average; led by PX and MEG deltas

Domestic Polyester Demand Growth



- Recovery in domestic demand on a Q-o-Q basis (up 21%) on account of festive demand. Demand growth for 1H FY12 remained flat
- Textile exports benefit from local currency depreciation
- Government scraps DEPB scheme. Revised duty drawback scheme implemented

Recron Malaysia Update: 1H FY12

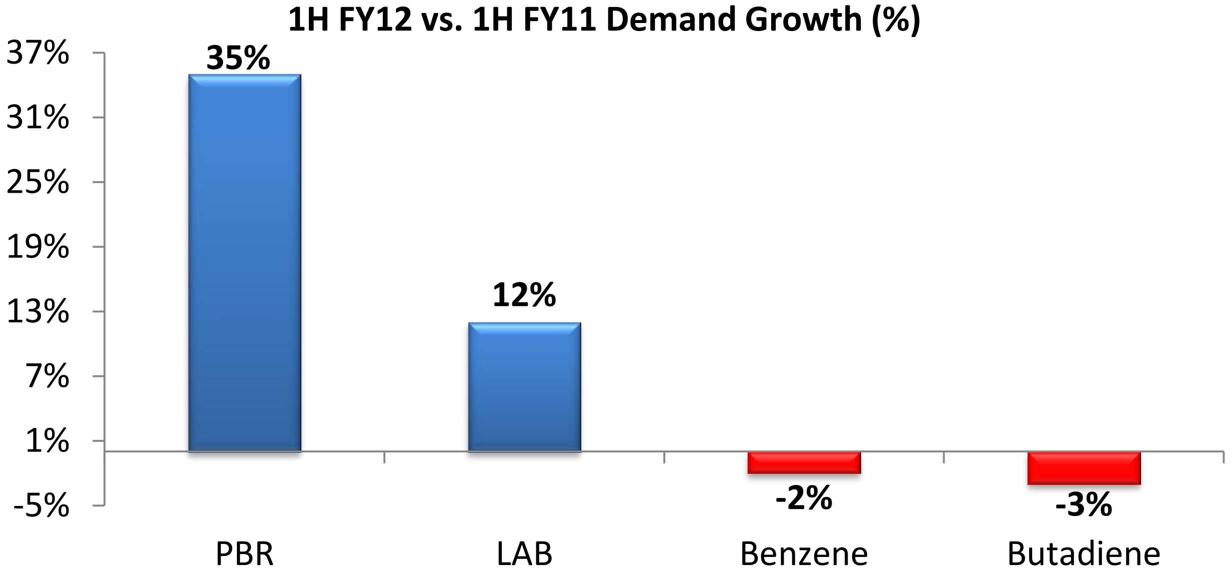
US$ Mn	1H FY12	1H FY11	Change
Revenue	593	521	14%
EBITDA	20	32	-39%
EBITDA Margin	3%	6%	

- Lower EBITDA due to challenging market environment
- Export share 90% of sales volume spread across 65 countries – expands RIL's foot print
- Domestic market share of 60% in Grey Fabric, PET and DTY

Petrochemical Sector

Chemicals

1H FY12 - Chemical Business Performance



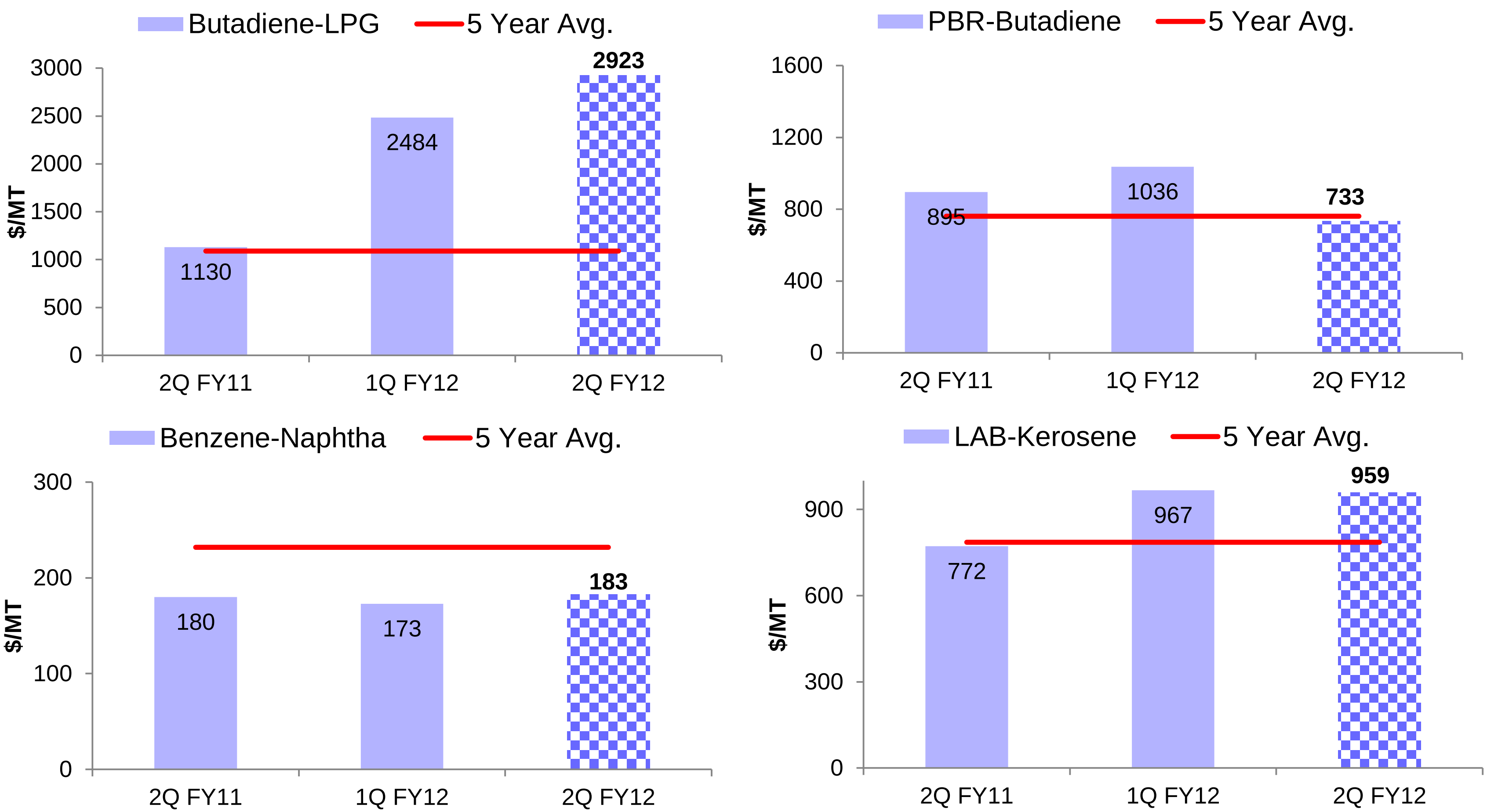
- Robust demand for PBR - slow down in auto industry in September causing some weakness in pricing
- LAB demand grew in line with growth in demand for detergents
- Demand for benzene impacted due to shutdown in downstream industry
- Sharp increase in prices (+86%) result in slow down in butadiene demand
- RIL maintained its leadership market share of Butadiene: 97%, Benzene: 53%, PBR: 42%, LAB: 22%

Chemical Price Trend

$/MT	1H FY12	1H FY11	% Change
LAB	1958	1468	33%
Benzene	1117	855	31%
Butadiene	3579	1922	86%
PBR	4464	2674	67%

Low operating rates by naphtha based crackers and higher crude prices impact product availability resulting in higher price environment

Chemical Deltas



Huge increase in Butadiene delta as naphtha based crackers reduced operating rates in the context of cheaper ethane based crackers : BZ-Naphtha and LAB-Kero delta remained stable or improved

Summary

Summary

- Strong improvement in refining margins resulting in record profits for the quarter and half year
- 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 on track
- Government approves the transformational deal with BP – significant opportunity to leverage RIL and BP's strengths in order to operate across the gas value chain in India

RIL has an exceptionally solid balance sheet, strong liquidity, superior cash generation and an unparelled portfolio quality. This provides it the ability to fund growth businesses, maintain financial flexibility and ensure disciplined investing

Thank You