Reliance Industries Limited

Growth is Life

2Q FY 2013-14

Financial Results

14 October 2013

Forward Looking Statements

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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.

Performance Highlights – 1H FY 2013-14

Financial Highlights

- Turnover of ₹ 197,112 crore ($ 31.5 billion), up 4.7%
- PBDIT increased by 4.9% to ₹ 19,519 crore ($ 3.1 billion)
- Net profit increased by 9.4% to ₹ 10,842 crore ($ 1.7 billion)
- Exports increased by 19.3% to ₹ 134,455 crore ($ 21.5 billion)
- Reliance Retail turnover increased by 41% to ₹ 6,930 crore
- US shale revenue and EBITDA at $ 408 million and $ 292 million respectively, growth of 61% and 47%

Operating Highlights

- Crude throughput at 34.7 MMT tonnes, operating rate of 112%
- Average GRM of $ 8.0/bbl as compared to $ 8.5/bbl year ago
- Petrochemicals production at 11.0 MMT
- US shale production volume at 74.4 BCFe, up 49%
- Successful discoveries in KG-D6 and CY-D5 block
- Approval received for R-Cluster development in KG-D6 block
- Crossed milestone of 10 million Sq Ft of retail space

Note: All % changes on Y-o-Y basis

Financial Results

Financial Results : 2Q FY 2013-14

1Q FY14	(in ₹ Crore)	2Q FY14	2Q FY13	% Change Y-o-Y	% Change Q-o-Q
90,589	Turnover	106,523	93,266	14.2%	17.6%
9,610	PBDIT	9,909	9,889	0.2%	3.1%
10.6%	PBDIT Margin	**9.3%**	10.6%		
5,352	Net Profit	5,490	5,409	1.5%	2.6%
16.6	EPS (₹)	17.0	16.7	1.8%	2.6%

- Net profit up 2.6% on Q-o-Q basis
- Business operating PBDIT increased by 11% on Q-o-Q basis
  - Strong operating income from petrochemicals business on higher volumes and margins
  - Refining performance improved despite lower GRM due to higher volumes, and
  - Favourable currency move

Segment Results : 2Q FY14 vs 1Q FY14

(in ₹ Crore)	2Q FY14	1Q FY14	% change	Sales Variance	
Refining				**Volume**	**Price**
Revenues	**97,456**	81,458	19.6%	5.8%	13.8%
EBIT	**3,174**	2,951	7.6%		
EBIT (%)	**3.3%**	3.6%			
Petrochemicals					
Revenues	**24,892**	21,950	13.4%	3.7%	9.7%
EBIT	**2,504**	1,888	32.6%		
EBIT (%)	**10.1%**	8.6%			
Oil and Gas					
Revenues	**1,464**	1,454	0.7%	-8.8%	9.5%
EBIT	**356**	352	1.1%		
EBIT (%)	**24.3%**	24.2%			

- 8% growth in Refining EBIT
  - lower refining margin environment ($ 7.7/bbl vs. $ 8.4 /bbl) more than offset by higher crude throughput and rupee depreciation
- 33% growth in Petrochemicals EBIT
  - higher volumes, improved margins in PP and MEG and rupee depreciation – partly offset by weak polyester margins

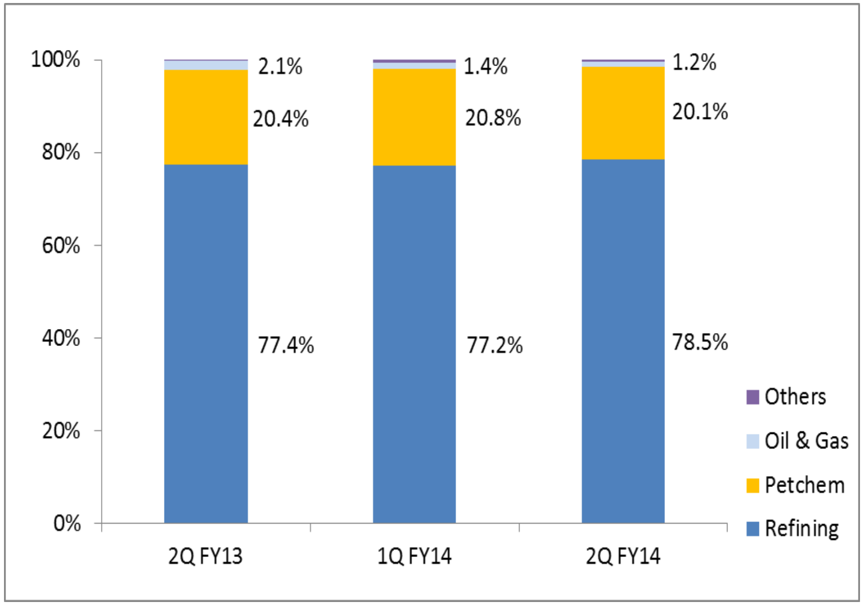
Segment Results : 2Q FY14 vs 2Q FY13

(in ₹ Crore)	2Q FY14	2Q FY13	% change	Sales Variance	
Refining				**Volume**	**Price**
Revenues	**97,456**	83,878	16.2%	4.9%	11.3%
EBIT	**3,174**	3,523	-9.9%		
EBIT (%)	**3.3%**	4.2%			
Petrochemicals					
Revenues	**24,892**	22,058	12.8%	-1.3%	14.1%
EBIT	**2,504**	1,740	43.9%		
EBIT (%)	**10.1%**	7.9%			
Oil and Gas					
Revenues	**1,464**	2,254	-35.0%	-45.5%	10.5%
EBIT	**356**	866	-58.9%		
EBIT (%)	**24.3%**	38.4%			

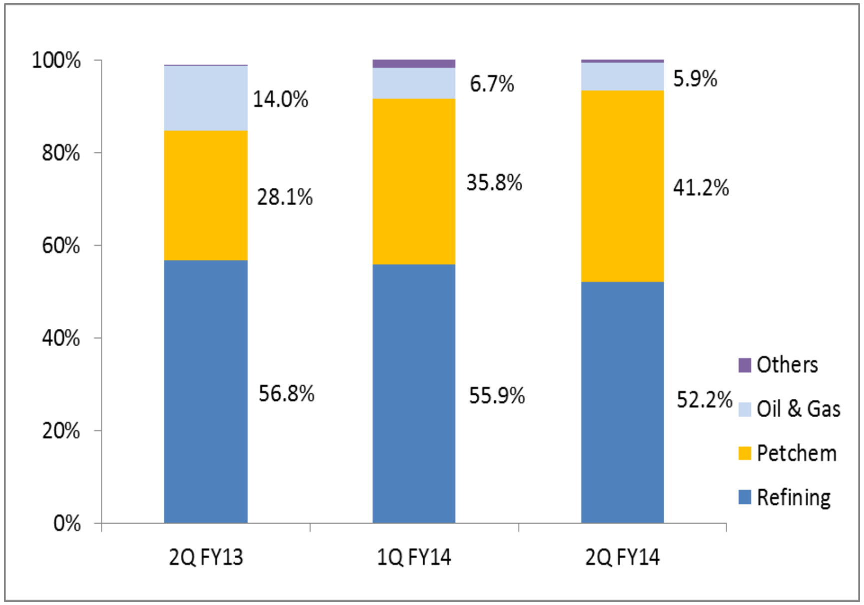
- Refining EBIT decreased due to lower GRM ($ 7.7/bbl vs. $ 9.5 /bbl), partially offset by higher volumes and positive currency impact
- Sharp increase of 44% in Petrochemicals EBIT due to higher margins in polymers/ PX / MEG and exchange rate benefit
- Sharp production decline resulting in lower EBIT for the upstream business

Business Mix

Revenues



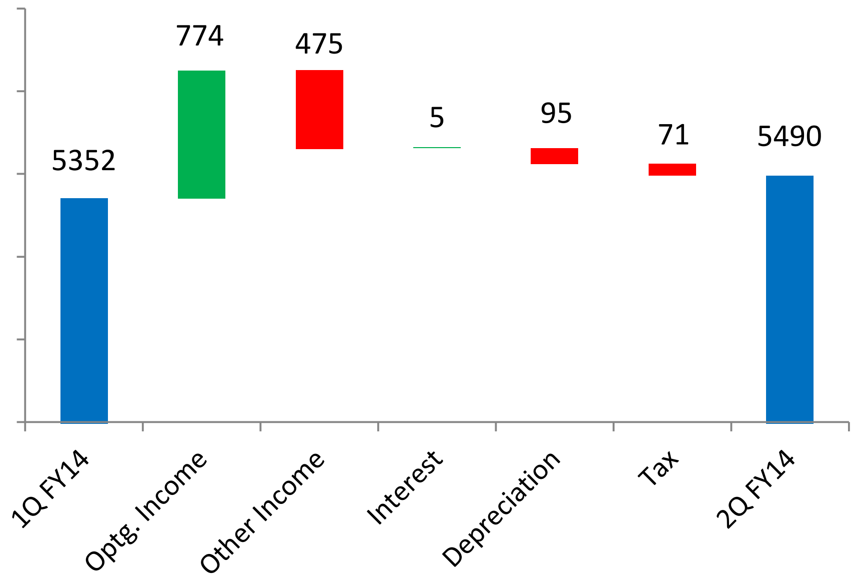
EBIT



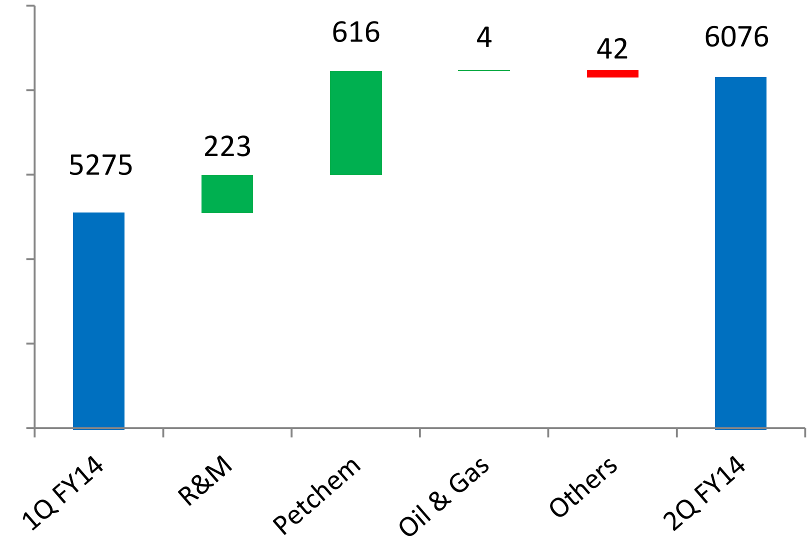
- On Y-o-Y basis, contribution from the petchem business increased to 41 % from 28% on higher volumes and increased margins
- E&P contribution has declined to about 6% in 2Q FY14 from 14% a year ago

Performance Bridge : 2Q FY14 vs 1Q FY14

Net Profit



EBIT



- Strong growth in operating income for the quarter was partially offset by higher depreciation and lower other income
- Other income declined due to lower profit on sale of investments

- Strong operating performance from petrochemicals segment driven by volume and margin growth
- Higher volumes and currency impact boosted refining performance

Financial Ratios

	Sep-13	Jun-13	Mar-13
Cash Balance (₹ Crore)	90,540	93,066	82,975
Net Debt : Equity	Debt Free	Debt Free	Debt Free
Net Gearing	Debt Free	Debt Free	Debt Free
Gross Interest Cover	10.0	10.0	11.3
ROCE (%)	10.5%	9.8%	11.2%
ROE (%) (Adjusted)	12.8%	12.7%	12.8%

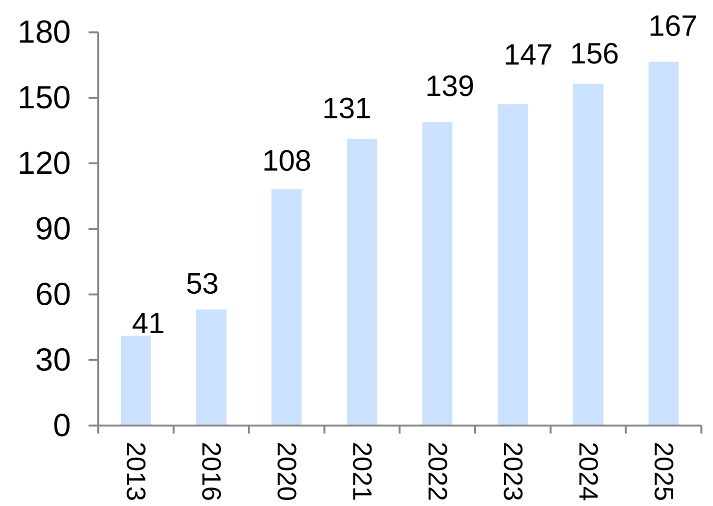
- Ongoing capex reflect in reduction of cash balance
- Higher operating performance leading to improving return ratios
- Investment grade rating retained:
  - BBB+ (Negative outlook), recently upgraded by S&P - (2 notch above India's sovereign rating)
  - Baa2 (positive outlook) by Moody's - (1 notch above India's sovereign rating)
  - Domestic debt rated AAA by CRISIL and FITCH

Oil and Gas – Exploration and Production

Business Environment

- Gas continues to get imported at high spot LNG prices of $ 13-14 /mmbtu*
- Longer term LNG import is likely to increase three fold by 2021
  - Demand environment supports increased domestic production as well as higher LNG volumes
- Higher share of domestic gas production can ease country's CAD position
- Continuing efforts by domestic upstream Companies with the Government to facilitate a conducive investment environment

LNG imports into India in MMSCMD



Source: Analyst Estimates

RIL committed to strengthen India's energy security

*Domestic Spot price from Jan-Sept'13

Domestic E&P Production Update

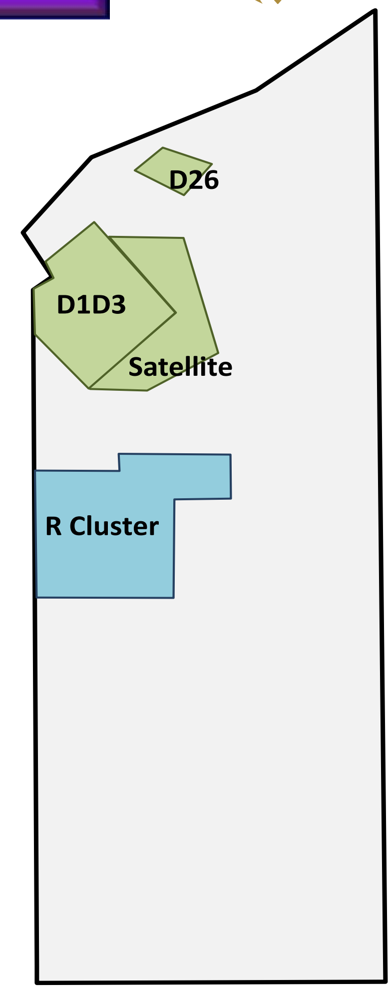
2Q FY 14		H1 FY 14	H1 FY 13	% Chg.
	Panna-Mukta			
1.8	Oil (MMBBL)	**3.6**	4.3	**-17.0%**
16.9	Gas (BCF)	**33.8**	36.0	**-6.1%**
	Tapti			
0.1	Oil (MMBBL)	**0.1**	0.3	**-53.0%**
7.1	Gas (BCF)	**14.9**	25.8	**-42.1%**
	KG-D6			
0.5	Oil (MMBBL)	**1.0**	1.7	**-41.1%**
45.3	Gas (BCF)	**94.6**	197.0	**-52.0%**
0.1	Condensate (MMBBL)	**0.1**	0.3	**-49.9%**

Note: Full Production volumes

- KG-D6 averaged at 14 MMSCMD of gas and 6,160 BOPD of oil/condensate. Fall in production is mainly attributed to geological complexity, natural decline in the fields and higher than envisaged water ingress
- PMT – Lower production due natural decline along with unplanned shutdown in PM field for SBM maintenance
- Average crude oil price realization for the 1H FY14 was $ 102/bbl for KG-D6 and $ 106/ 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

KG-D6 – R-Cluster

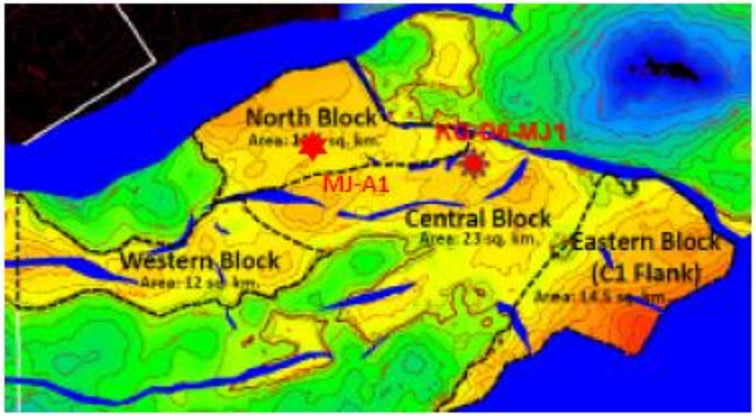
- Next wave to target undeveloped resources in KG-D6
  - D34 gas discovery made in 2007
  - Two gas bearing zones
- FDP submitted in Jan'13 approved by MC of KG-D6 block in Aug'13
- Field Development Plan Synopsis :
  - Estimated reserves approx. 1.2-1.4 TCF of gas
  - Gas production rate up to 12 MMSCMD, first gas expected in 4 years
  - 8 development wells through dedicated evacuation pipelines to the existing CRP associated with the D1-D3 gas fields
  - Estimated capex for above facility is $ 3.2 billion excl. taxes/duties
  - Existing facilities downstream of the CRP will be utilized for transportation and handling of R-Cluster well fluid
- FEED completed



With FDP approval contractors await price approval before embarking on monetization of R-Cluster

KG-D6 – MJ

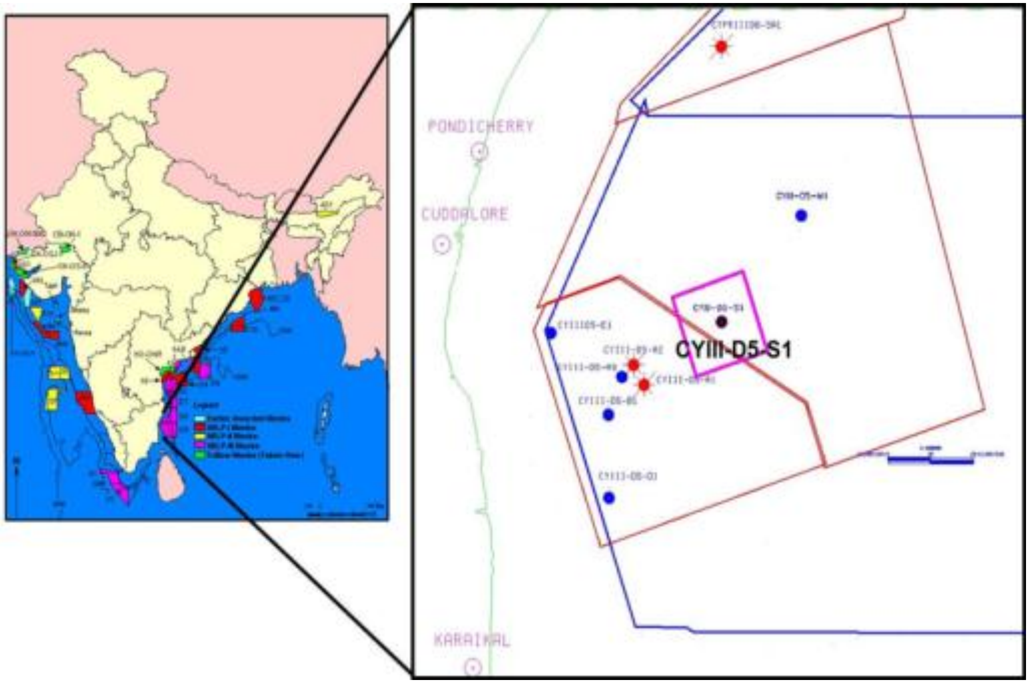
- D55 (MJ1) gas discovery in May'13
  - Significant gas and condensate discovery. ~155m of gross pay: flowed at 31mmscfd and 2,121 bcpd
  - Well drilled in a water depth of 1,024 m – and to a total depth of 4,509 m
- Appraisal program synopsis:
  - Drilling of 2 appraisal wells planned
  - Broadband seismic API; and geological and reservoir modelling for integration with project appraisal
- Current project status:
  - Appraisal program and proposal for first appraisal well MJ-A1 reviewed by MC in Aug'13
  - Drilling of appraisal well MJ-A1 has commenced



This discovery gives a much needed thrust to exploration and is a significant step towards value creation for the Nation

CY-D5 Discovery

- Gas condensate discovery named “D56” notified
- Well CYIIID5-S1 was drilled in a water depth of 1,743 meters, to a total depth of 5,731 meters
  - primary objective of exploring Mesozoic-aged reservoirs
- Second gas discovery in the block
- ~143m of gross pay: flowed at 35.2 mmscfd and 413 bopd
- Appraisal program under preparation
- Further exploratory prospects under consideration



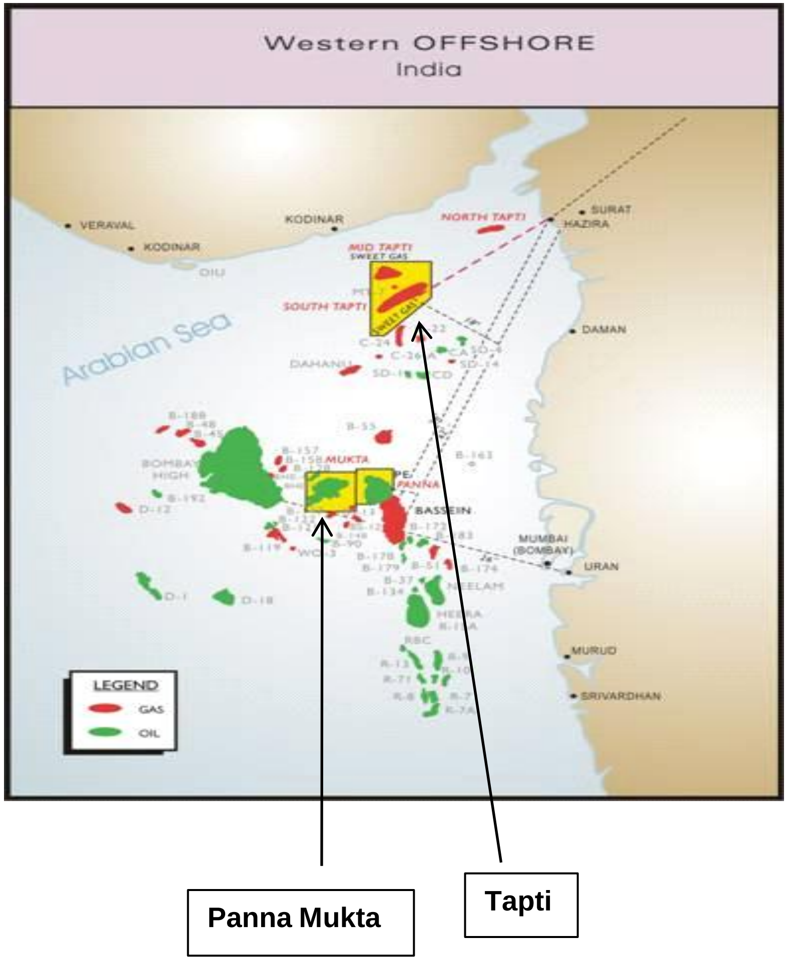
The discovery opens up a deeper, liquids-rich play offshore east coast of India in the Cauvery basin

Other Updates

- KG-D6 – other activities
  - Following activities underway to augment production from producing fields,
    - D1-D3 – booster compressor at OT, water shut off jobs
    - D26 (MA) – MA-8 well commenced drilling to be followed by side tracks; compressor modification on FPSO
  - Satellite fields : FEED in progress
- Currently two rigs under operation in KG-D6 block:
  - Rig DDKG2 drilling MA-8 development well in MA field
  - Rig DDKG1 drilling appraisal well D6 MJ1-A1

Panna-Mukta & Tapti Update

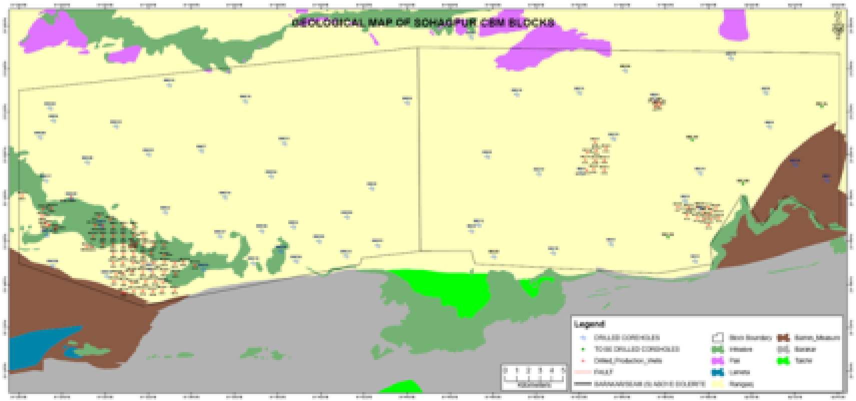
- Panna-Mukta
  - Two rigs are in operation
  - Drilling of PL wells – 4 out of 6 wells put to production; drilling of 5th well in progress and will be followed by 6th well in 3Q FY14
  - Out of 7 infill wells planned in FY14, 3 wells put to production. Drilling of 4th well in progress and will be followed by three infill wells in 3Q-4Q FY14
  - Mukta-B Development - FEED completed - Development plan submission likely in 3Q FY14
- Tapti
  - An infill well in STD area is planned
  - Exploration proposal in Greater Mid Tapti (GMT) is under review



CBM Update

- RIL holds 2 blocks – Sohagpur East & West
- Development phase extends up to Dec’14
- Gas pricing formula submitted for approval awaiting MoPNG’s approval
- Verge of augmenting development activities
- Contracting process for development activities is at an advanced stage
- Early activities progressing on Shahdol Phulpur Gas Pipeline by Reliance Gas Pipelines Ltd.

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

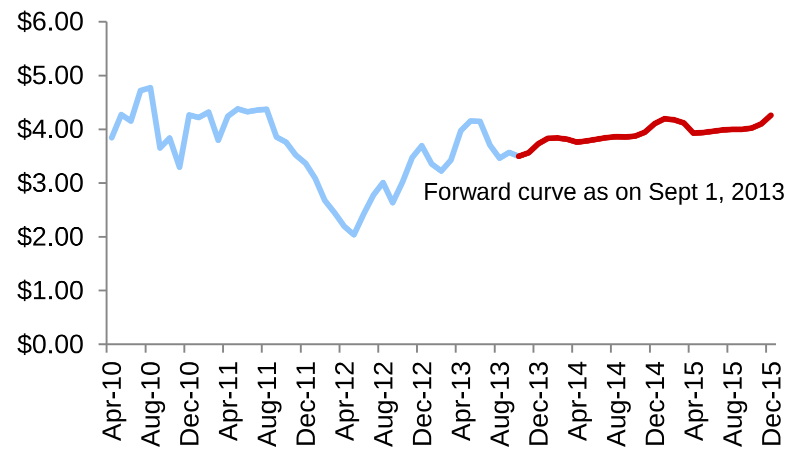


Shale Gas Business

US Price Environment

- Natural gas prices dropped by 13% during Q3 CY'13; Averaged at \$3.57/MMBtu vs. \$4.09/MMBtu in Q2 CY'13
- Prices remained range bound reflecting lower demand and inventory issues
  - Lower power burns due to weather conditions and relative price difference for coal
  - Quarter end storage inventories were 0.9% above 5 year averages, though marginally below last year
- Massive ramp-up of production in Marcellus led to higher differentials in the range of \$0.35/MMBtu to \$1.15/MMBtu
- WTI improved by 12% Q-o-Q; averaged at \$106/Bbl
- NGL prices remained under pressure on increased supplies and higher inventories
- NGL basket prices averaged at 30% of WTI in Q3 CY'13 vs. 34% in Q2 CY'13
  - Ethane (51% of NGL barrel) prices remain low in the range of 25-30 cents/gal on growing inventories
  - Ethane likely to remain over supplied until new demand from cracker expansions materializes in 2015 / 2016
  - Propane exports increasing from US and expected to give support to NGL basket prices

Gas Prices (Henry Hub) (\$/MMbtu)



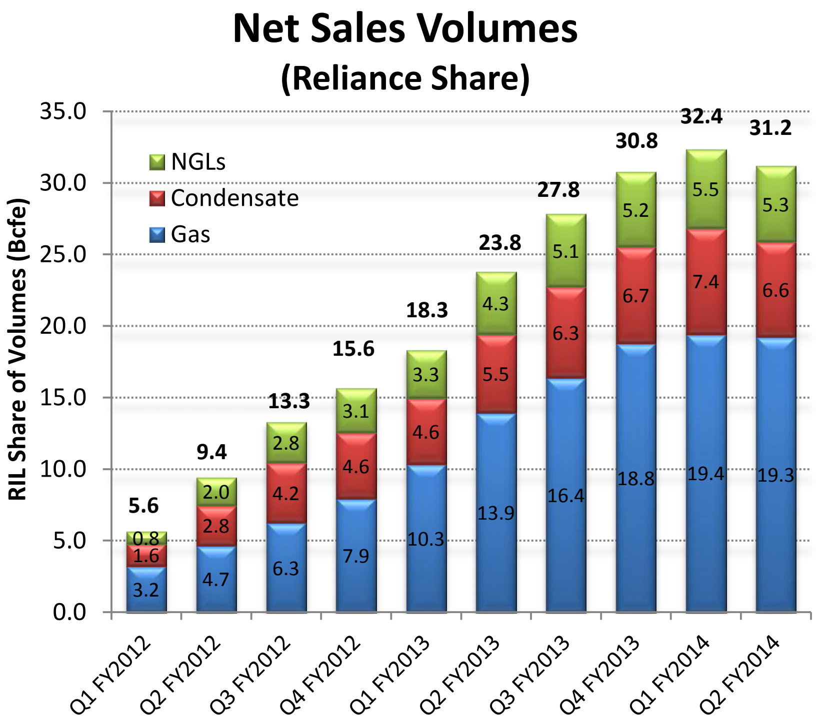
Source: Historical data from EIA; NYMEX Strip prices

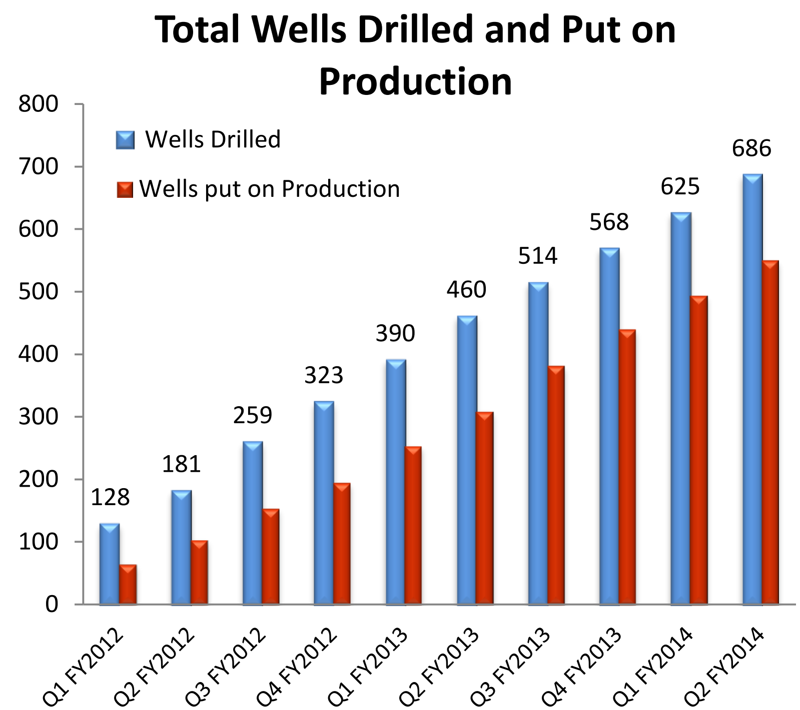
Business Performance Highlights

	2Q FY14	1Q FY14	2Q FY13	% Chg. from 2Q FY13	1H FY14	1HFY13	% Chg. from H1 FY13
Production (BCFe)	**36.5**	**37.9**	**27.9**	**31%**	**74.4**	**50.0**	**49%**
Revenues ($ Mn)	**193.0**	**214.5**	**136.5**	**41%**	**407.5**	**253.4**	**61%**
EBITDA ($ Mn)	**126.6**	**165.1**	**95.0**	**33%**	**291.7**	**198.0**	**47%**

- Reliance share of gross production at 36.5 Bcfe, reflects a growth of 31% YoY, marginally below 1Q FY14
  - Volume ramp up impacted by delayed well hookups related to PAD drilling, high level of shut-in wells for offsetting frac activity and down spacing tests in Pioneer JV
  - Wells hooked up towards end of 2Q and aggressive hook-up schedule expected to ramp up 3Q production
  - Optional shut-ins due to higher price differentials, temporary midstream constraints impacted Marcellus JVs
- Strong YoY growth in revenues and earnings, supported by improved liquid volumes and higher condensate prices
  - Average realization at $6.19/Mcfe in 2Q FY14 vs. $6.03/Mcfe in 2Q FY13 and $6.69/Mcfe in 1Q FY14
  - NGL remained under pressure, increased gas differentials in Marcellus proved to be a challenge
- Capex for the quarter at $423 MM; Cumulative investments of $6.5 billion across all JVs
  - Substantial part of Pioneer and Carrizo JV capex needs met through cash from respective JV operations

Business Growth Trends





- Development growth momentum continued – Sequential growth of over 10% in wells drilled and 11% for wells online
- Reliance share of net volumes at 31.2 Bcfe for the quarter, supported by 550 wells online across all 3 JVs
- 1H FY14 volumes at 63.6 Bcfe, reflected 1.5x growth from the corresponding period in FY13
- Share of liquids at 38% of sales volumes – 2% below 1Q FY14

Shale Gas JVs: Development Progress Overview

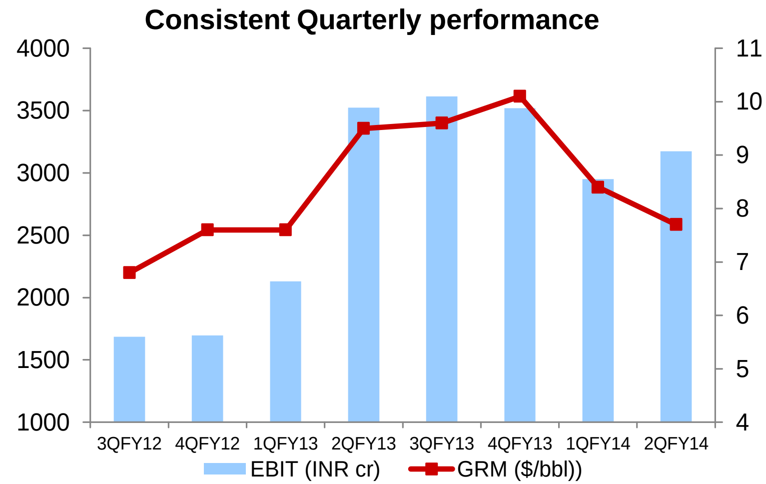
Particulars	JVs With Pioneer	JV With Chevron	JV With Carrizo	TOTAL
Average Rigs in operation	10	3.5	1	14.5
Rigs added/(reduced) in Q2	-	0.5	-	-
Wells Drilled (Inception to date)	367	230	89	686
Wells Drilled in Q2FY14	34	21	6	61
Total on line wells	330	165	55	550
Wells put on line in Q2FY14	26	25	5	56
Gross JV Avg production rate for the quarter (MMscfed)	517	256	102	875
% Change in Gross JV Avg production rate (Y-o-Y / Q-o-Q)	14% / -10.5%	87% / 9%	39% / -1%	31% / -4%
Total Investment ($ Mn) (JV Inception-to-date)	3,467 (incl. EFS midstream)	2,165	821	6,454
	- Remained focused on liquid rich areas - Thrust on technology based development: PAD drilling, completion optimization, re-fracs and down spaced well - Continuing downward D&C cost trend - Improving drilling efficiencies: 80% PAD drilling resulting in decreased drilling times and cost per foot - Production growth expected to resume in Q3; delayed hookups and shut-in wells coming on during October	- Strong volume trends reflect improvement in TIL performance , 25 wells put on line , highest in a quarter so far. - Continuing thrust on well cost reduction; improving operational and capital efficiencies.	- Despite strong well potential, 2Q volumes suffered. - Impacted by pipeline maintenance driven midstream constraints and optional shut-ins - Capex momentum slowing down with maturing NEPA development	

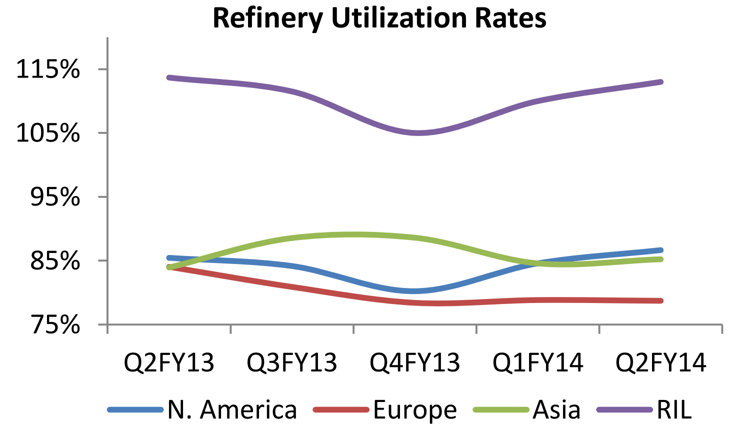
Focus remains on sustaining growth momentum and improving capital efficiency for reducing F&D Costs

Refining & Marketing

Highlights 2Q FY14

- GRM of \$ 7.7/bbl in 2Q FY14 vs. \$ 9.5/bbl in 2Q FY13
  - 1H FY14 GRM at \$ 8.0/bbl
- Segment EBIT of ₹ 3,174 crore for 2Q
- Crude processing of 17.7 MMT for 2Q FY14, operating rate of 114%
- Tough business environment – high crude prices, weak economic conditions in Europe and EM
  - GRMs fell across regions due to lower light distillates, lower FO cracks and Brent-WTI differential
- RIL delivered robust performance in a tough market environment
- Flexibility in crude and product slate depending on market
  - Continued emphasis on feedstock optimisation; 4 new value adding crudes procured in 2Q



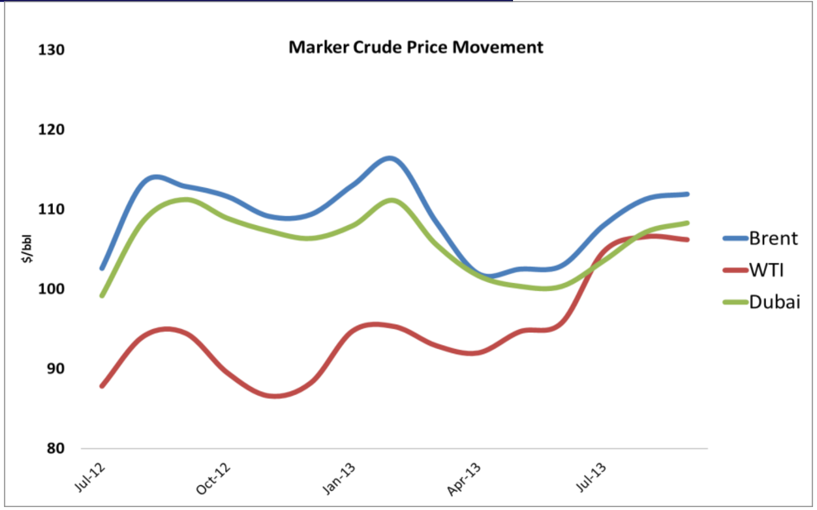


Delivering robust returns in a tough business environment

Source : ESAI

Business Environment

- **Oil prices rose sharply in a volatile market and a tighter oil balance**
  - Re-emergence of supply-side concerns: geopolitical unrest in Egypt & Syria
  - Increasing disruptions to oil supplies, especially in Libya
- **Subdued global business environment.**
  - Moderate oil demand from emerging markets
  - Decline in Chinese manufacturing PMI
  - Sharp currency depreciation in several non-OECD countries added to the effect of high oil prices
- **IEA forecast demand growth of 985 kb/d for remainder of 2013 to reach 91.0 mb/d**
  - Demand growth revised upwards for 2013 from previous forecast by 0.1 mb/d
  - Demand for 2014 is forecast to grow by 1.1 mb/d, with improvement in the underlying macroeconomics

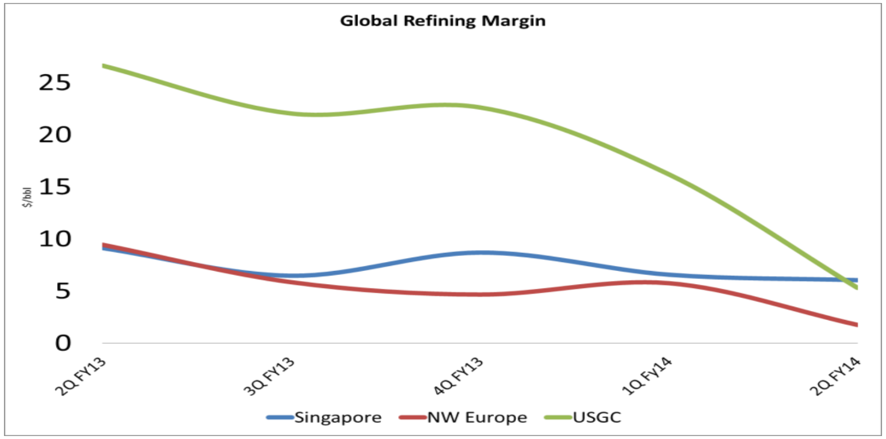


Geopolitical tensions & weak economic growth make business environment challenging

Source : Platts

R&M Business Environment
Global Refining Margins

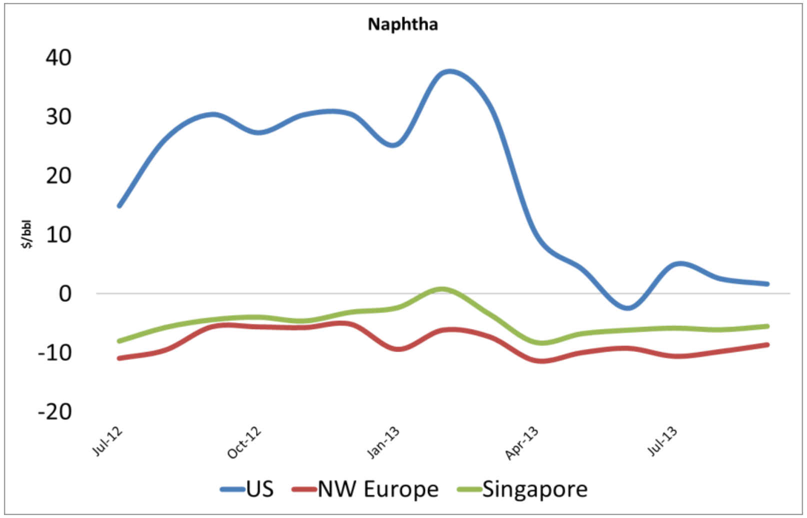
- **Weakness in refining margins across regions**
  - Subdued oil demand growth and weakness in FO and gasoline cracks impacted Singapore margins
  - Overall US refining fundamentals continue to remain strong, but USGC margins witness a sharp correction as Brent-WTI disconnect narrows
  - European refiners worst hit - subdued economic growth and increasing competition from US and Asia

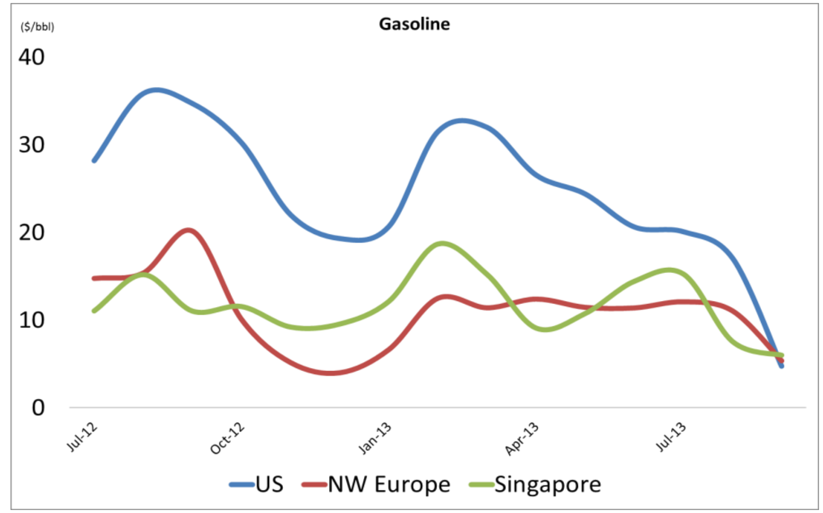


- **Subdued Asian refining margins for the quarter**
  - Seasonally weak period for Asian refining industry
  - Tighter crude markets resulted in higher premiums impacting the feedstock cost for refiners
  - Light-Heavy widen on account of weakness in FO and supply disruptions in the light grades, supporting complex refiners

Global refining margins under pressure from weak demand and tight crude markets

Business Environment
Product Cracks - Light Distillates





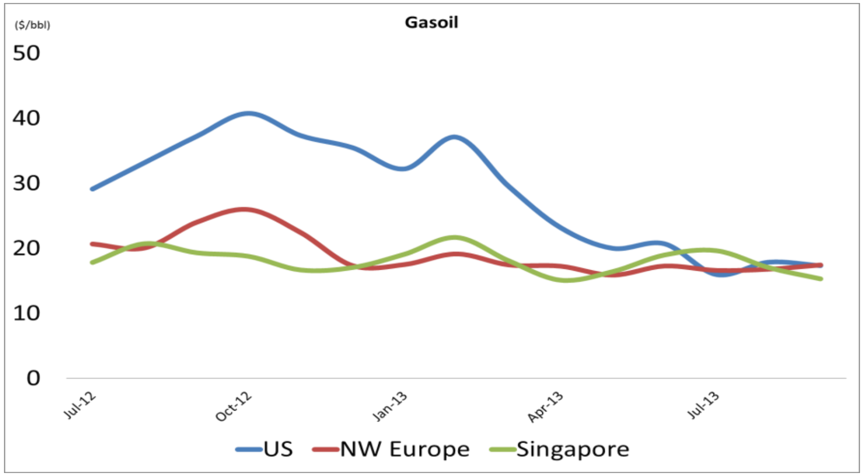
- **Naphtha** cracks improved marginally in Asia due to stable petrochemicals demand
  - In the US, transition to higher vapor pressure gasoline favored blending of naphtha into gasoline
  - In Europe cracks gained from reduced supplies due to ongoing refinery run cuts

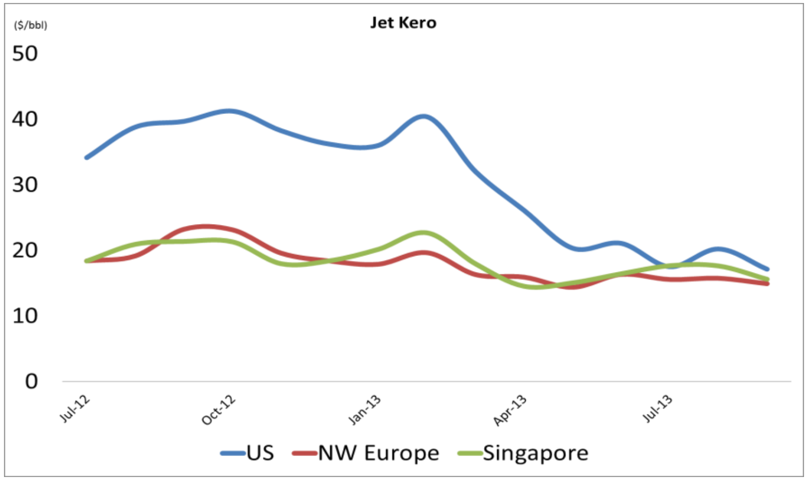
- **Gasoline** cracks weaken with end of US driving season and Ramadan demand
  - Asian cracks correct sharply amid ample supplies and reduced demand from key importers Indonesia, Malaysia

Weak gasoline demand and ample supply pressurize the light distillate market

Source : Platts

Business Environment
Product Cracks – Middle Distillates





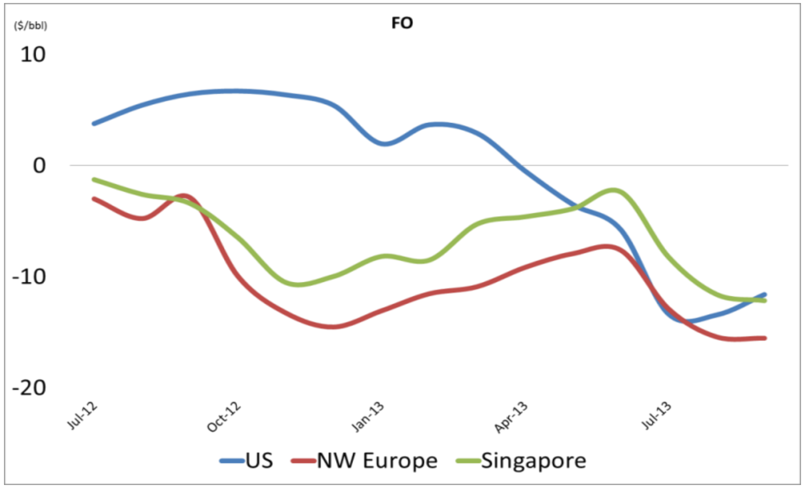
- **Gasoil** cracks remained stable despite weak demand from EM
  - Asian gasoil cracks eased on lower demand from major importers
  - Indian diesel demand declined in 1H FY14 due to price elasticity and monsoon impact
- European gasoil cracks supported by lower imports from US and Russia

- **Jet/Kero** cracks remained relatively weak throughout the quarter
  - Weak demand from US and Asia due to dampened air travel demand
  - European crack supported slightly in the later half of quarter due to reduced supplies from refinery run cuts and blending jet into diesel pool

Stable middle distillates cracks provide vital support to complex refining margins

 Source : Platts

Business Environment
Product Cracks – Fuel Oil



- Asian FO cracks fell sharply due to:
  - poor bunker demand, higher stocks
  - below average Japanese power sector demand
- European FO cracks fell on account of:
  - low demand from utilities and power generation - end of peak summer
  - Unfavourable arbitrage to Asian surplus market and sufficient Russian supplies
- US FO cracks under pressure due to:
  - low demand for bunker and unfavorable arbitrage to Asia
  - FO cracks recovered marginally on increased stock piling ahead of winter

Fuel oil cracks fell sharply due to weak demand across regions

Jamnagar Super-site Highlights

- World's largest single location refining complex
  - Consistently operating at 110% utilisation levels
  - 119 different crude grades processed so far - over 40% of world's traded crude
- Continuing emphasis on energy conservation by implementing various schemes to lower the energy bill
  - DTA refinery recognized with the "Best energy efficient unit 2013" award from CII in 14th National Energy Summit held at Hyderabad
- Solomon Refinery Benchmarking Study- 2012 - Jamnagar Refinery ranked the best in some major parameters and is placed in the top quartile across all parameters
- Systematic approach and capex program to drive throughput & reliability improvements
- Continuous focus on yield improvements and middle distillate maximization

Jamnagar Supersite - A Global Benchmark for Refining Industry

Groundbreaking on Petcoke Gasification

- Delivering a step change reduction in energy costs, substituting imported LNG with Coke / Coal
- Project implementation in full swing
- Procurement of equipment nearly completed
- Engineering works underway; construction started on site
- Looking for RIL's accelerated delivery schedules with phased commissioning
- Expected to enhance the gross refining margins by around $ 2.5/bbl on completion

Petcoke gasification project to provide a radical reduction in energy cost, supporting the next phase of growth

R&M Business Outlook

- Global macroeconomic situation continue to remain cautious, but show signs of improvement
  - High inflation and widening budgetary deficits pressurize emerging economies in Asia and LatAm; stable growth expected in US and China
  - Geo-political tensions in the Gulf region continue to influence the macroeconomics
  - Global oil demand growth of ~ 1 mb/d expected in the next 3 years, led by China and other EM
- Global net refining capacity addition of ~ 3 mb/d expected by 2015, inline with the oil demand growth
- Benefit of increasing crude production and cheap energy likely to support high US refining runs
- Asian refiners expected to remain supported by strong domestic demand growth. Teapot refineries in China likely to remain under pressure
- Middle East likely to emerge as a major product exporter
- European refiners expected to be most vulnerable; further closures and economic run cuts likely
- Strong demand for middle distillates likely to favor refiners with high conversion capacity

RIL's flexibility and operational excellence supports strong performance across different environments

Petrochemicals

Polymers

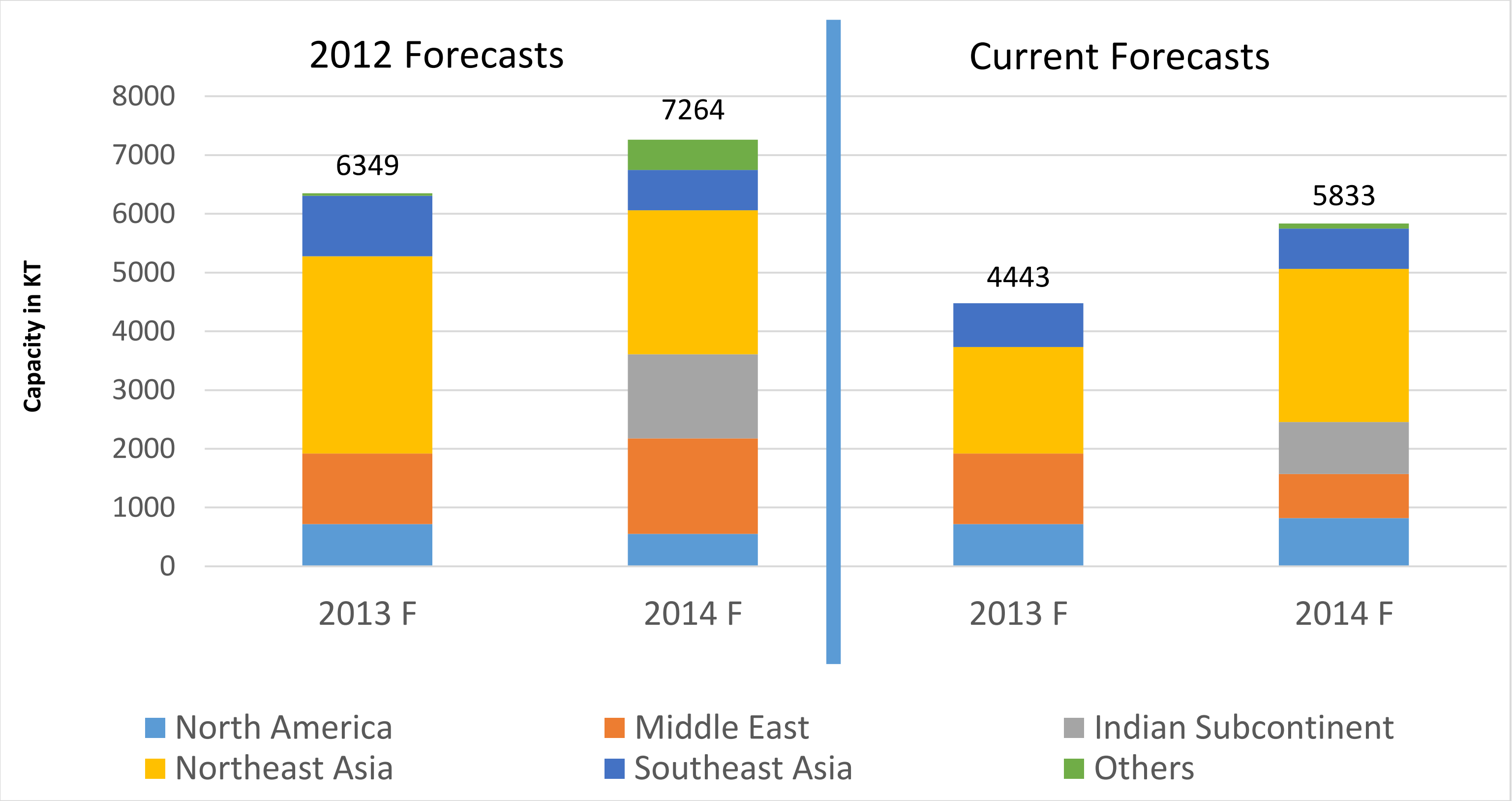
Business Environment

- Global ethylene operating rates remained high at ~ 87% - higher than last 5 years average of 85%
  - Operating rates were around 90% in Asia
- Key feedstock naphtha prices were up 8% (Q-o-Q) on the back of firm oil prices
- Strong polymer demand in Asia 1H FY14 vs. 1H FY13
  - China – up 10%
  - India – up 8%
- Overall improvement in product deltas during the quarter
  - PE deltas improved sharply on Y-o-Y basis (+33%); remained flat on Q-o-Q basis
  - PP deltas increased on Y-o-Y basis (+32%); as well as Q-o-Q basis (+31%)
  - PVC deltas declined on Y-o-Y basis; improved marginally on Q-o-Q basis
- Supply side issues (Thailand / Taiwan) and restocking in Asia were key drivers for margin improvement

Healthy demand coupled with supply constraints aided margin environment

 (Source: IHS)

Delays in Global Capacity Additions



- Operating rates to remain high in 2013 and 2014 on project delays
- As compared to 2012 forecast, current estimates for incremental capacities in 2013 are 30% lower and for 2014 are 20% lower

 (Source: IHS)

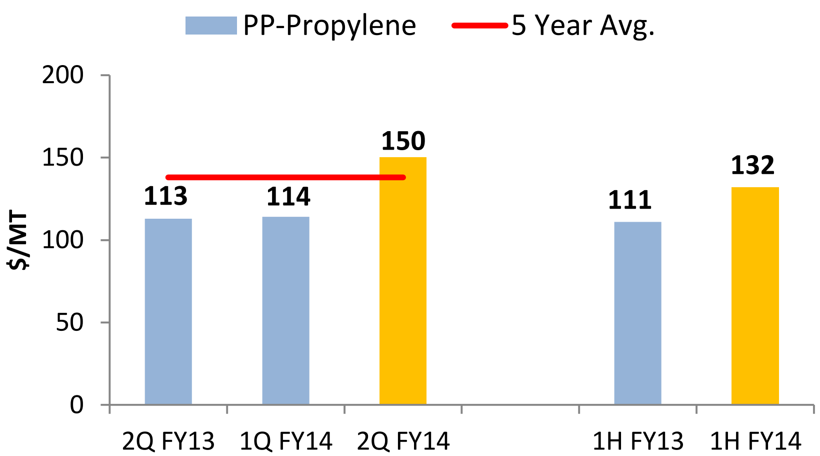
SE Asia Price Movement - Polymers

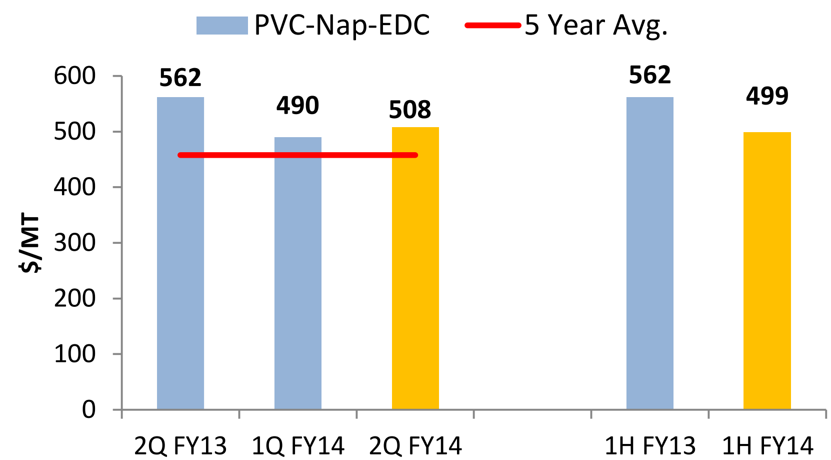
$/MT	1Q FY14	2Q FY14	% Change	1H FY13	1H FY14	% Change
Oil - Dubai ($/bbl)	101	106	5%	106	104	-2%
Naphtha	823	887	8%	868	855	-1%
Ethylene	1270	1320	4%	1177	1295	10%
Propylene	1325	1337	1%	1286	1331	3%
EDC	352	359	2%	251	356	42%
PE	1419	1471	4%	1336	1445	8%
PP	1439	1487	3%	1397	1463	5%
PVC	983	1023	4%	981	1003	2%

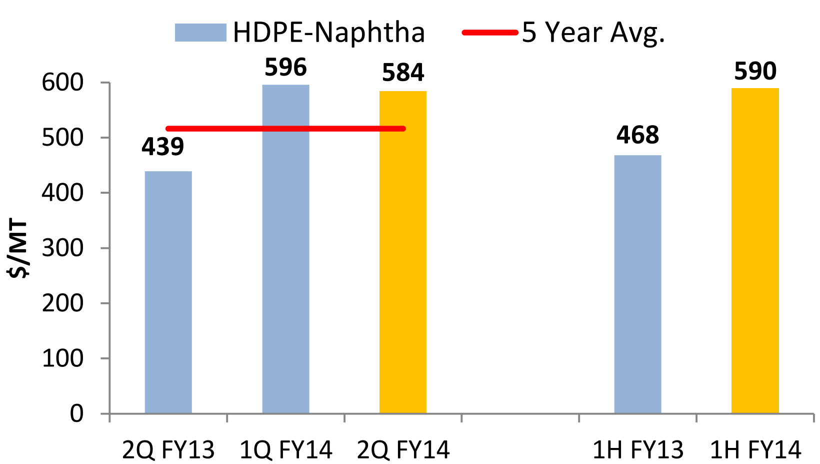
Key polymer prices outpaced the feedstock prices in the first half on demand recovery

(Source: Platts)

Polymer Delta







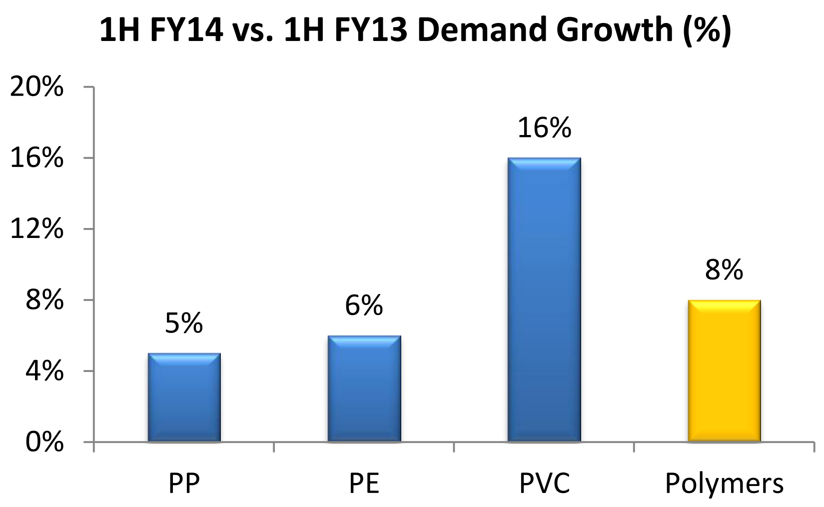
- PP deltas improved sharply (Y-o-Y) on restocking towards end of the quarter by downstream sector
- PE delta improved on Y-o-Y basis despite firm naphtha prices (on geopolitical concerns) as channel and end-user segment replenished inventories
- PVC margins were lower on Y-o-Y basis but recovered on Q-o-Q basis, on improved PVC realisations supported by tight supply

During the quarter deltas improved as downstream processers restocked

Source: Platts

India Polymer Demand: 1H FY14

- Strong demand across all end-user segments
- Major growth sectors for PP were monofilaments, woven bags, appliances, house ware, flexible packaging, lamination films
- Major growth sectors for PE were containers, rigid packaging, lamination films, pouches, shrink films, bags, pipes
- Major growth sectors for PVC were pipe & fittings, wires & cables, PVC sheets, films, profiles and footwear

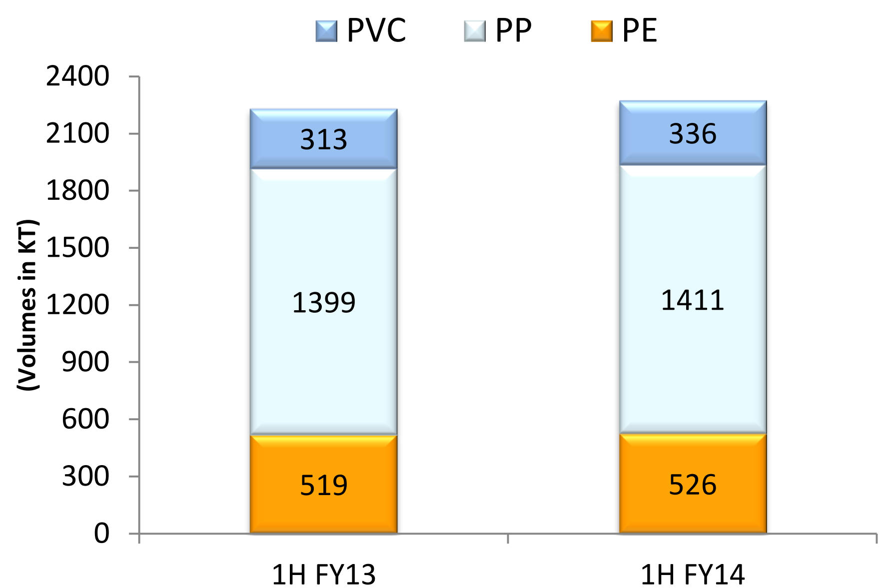


Polymer demand continues to outpace GDP growth rate – led by strong consumption and new applications

RIL- Strong Operating performance

- RIL continued to operate all its facility at ~100% and maintained domestic market leadership
- RIL's 1H FY14 polymer production was up 2% Y-o-Y
- Overall RIL's polymers production share was 61% in 1H FY14
  - Domestic market share stood at 40%
  - RIL remained major player in PP segment with market share of 60%
- RIL polymer export was at 0.4 MMT
  - Major export destinations were China, Turkey, Pakistan, Vietnam & Brazil

RIL Production



RIL continues to play pre-eminent role in the domestic market, benefitting from scale and integration

Extended Shelf Life (ESL) Milk Packaging

Objective

- Design of flexible pouch for improving shelf life at ambient temperature for 30 days

Status

- In-house film structures were made with better barrier to oxygen and 100% opacity
- Pilot ESL milk filling trials conducted with > 30 days shelf life
- Reliance Dairy team market seeded 4,000 Ltrs of ESL milk based on encouraging pilot trials
- Excellent feed back from market, strong demand pull
- Reliance Diary plans to market 1 Lakh ltrs of ESL Milk in the coming quarter

Packaging structure: Patent application no. 1815/MUM/2013

Patent approved for RIL's flexible film structure with 30 days shelf life

Outlook

- Increasing global ethylene operating rates in 2013-15 period indicate improved condition for petrochemical industry
- High ethylene demand growth in Asia over 2013-18 period
  - AAGR of 5.4% and 4.8% expected in SE Asia and NE Asia respectively (World Average : 4.2%)
  - India and China are leading growth areas
- Healthy global polymer demand growth (% AAGR 2013-2018):
  - HDPE : 4.8% ,LLDPE : 5.3%, LDPE : 3.1, PP : 4.9%; & PVC : 4.3%
  - Growing consumer market in India will drive polymer demand growth
- Global feedstock dynamics changing – rise in NGL/ethane based ethylene cracking leads to advantages (higher profitability) to certain regions

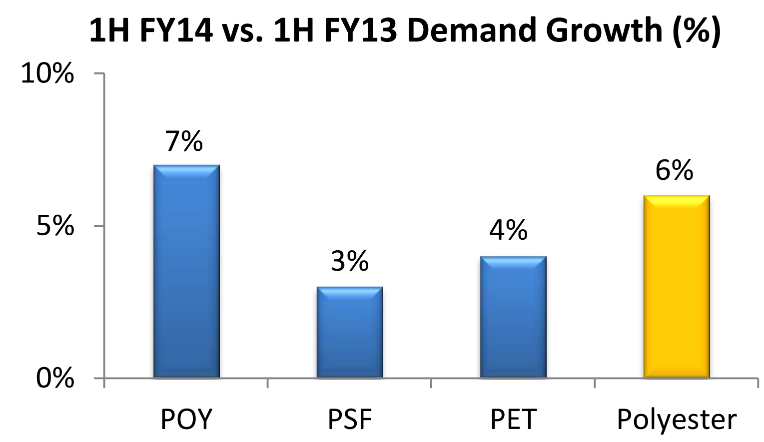
New cracker project to ensure RIL is well placed to compete with advantaged feedstock players

(Source: IHS)

Polyester and Intermediates

Business Environment

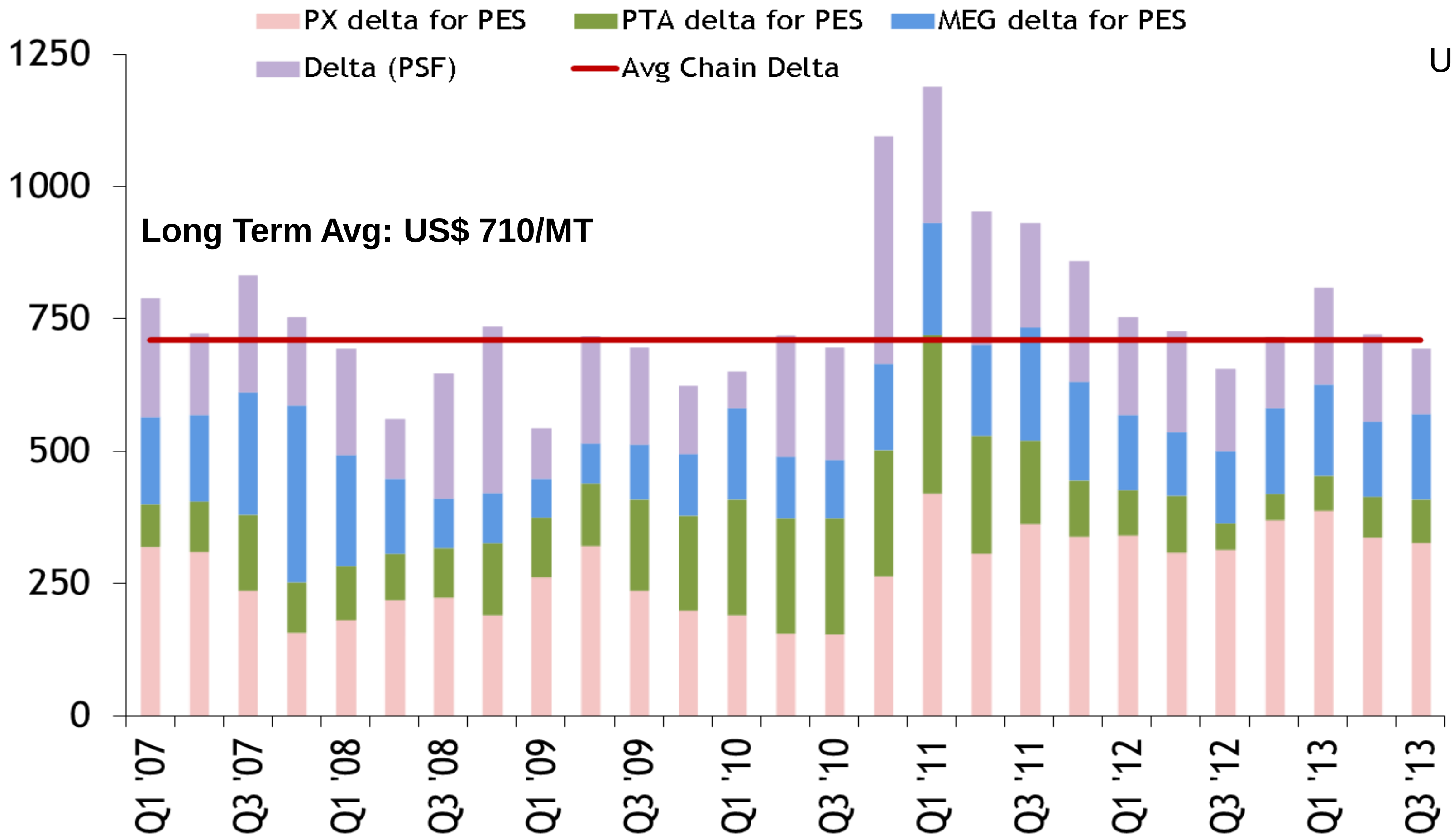
- 1H FY14 domestic polyester demand up 6%
- Production cut-back in PTA/Polyester on margin considerations
- Delay in new PX capacity start-up
- China MEG port stock declined
- Integrated chain margins cushions decline in polyester margins
  - MEG, PX deltas improved Y-o-Y
  - Domestic PTA margins supported by unplanned outages
- Sharp rupee depreciation made exports more competitive
- Chinese cotton policies continue to guide global cotton prices
  - 1H FY14 Cotlook A Index up 6% Y-o-Y



- Polyester demand muted by cautious buying due to volatility in currency and raw material prices
- PET demand also impacted by early and prolonged monsoon; lower demand from beverage and FMCG segments

Polyester Chain Delta

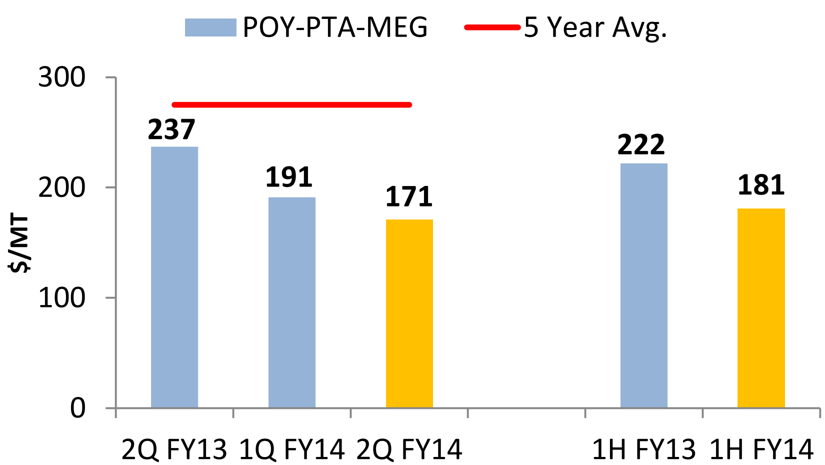
US$/MT

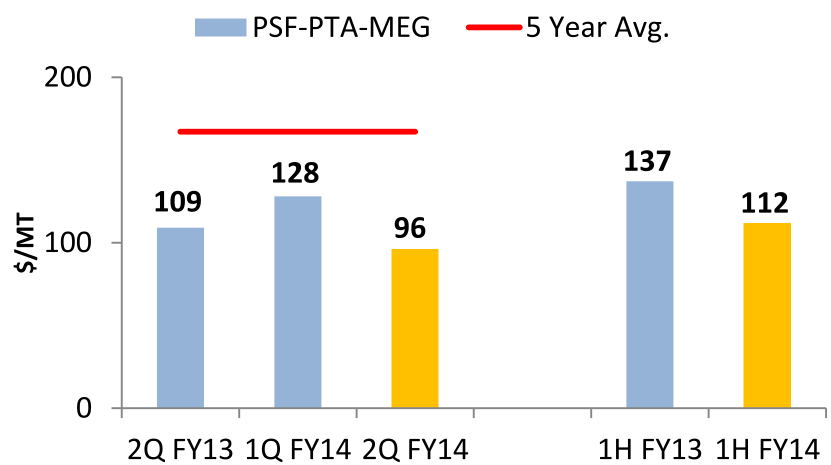


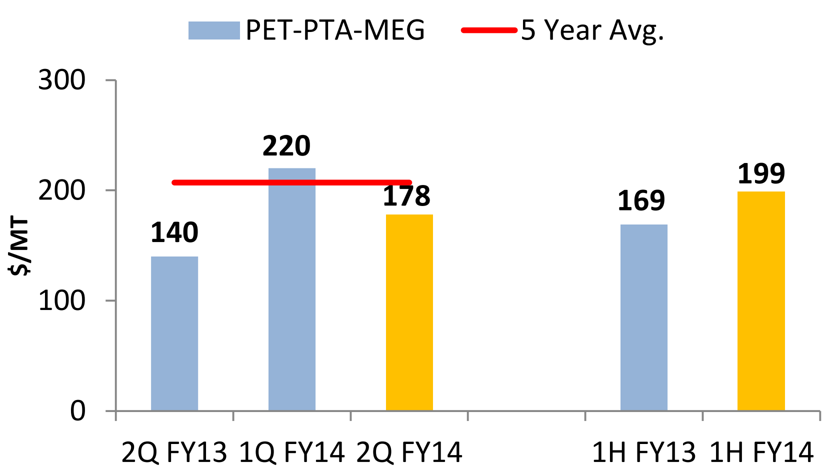
Integrated chain dynamics mitigate decline in polyester margins

Source: Platts, ICIS

Polyester Delta Scenario



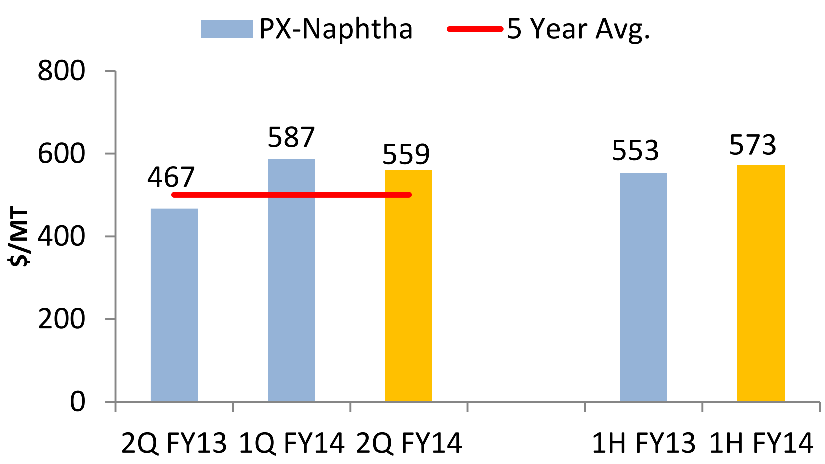


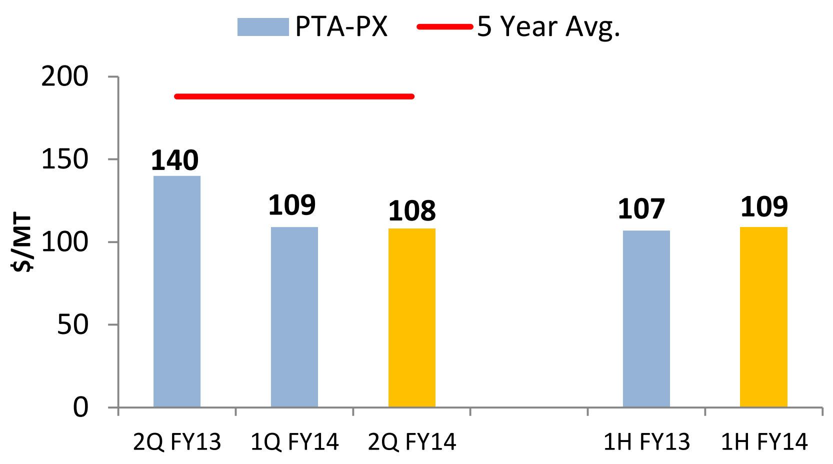


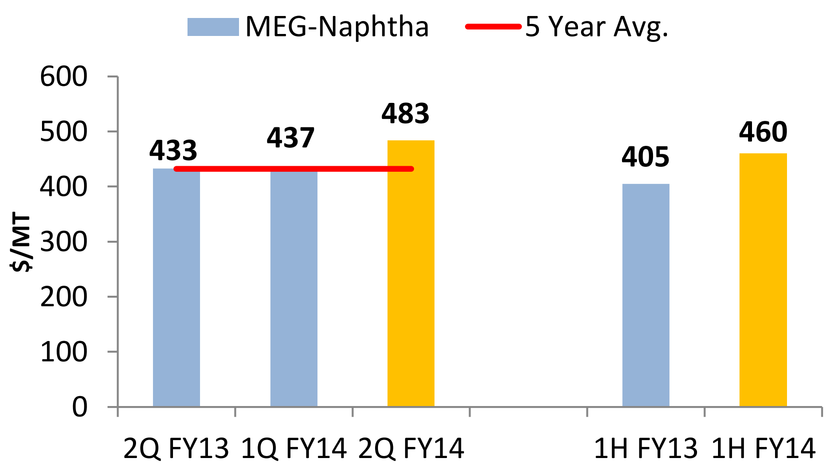
- Cautious and need-based buying amidst volatile feedstock, impacted polyester margins
- Healthy demand from Asian countries aided PET margins in 1H FY14, seasonality affected Q-o-Q margins

Source: PCI, ICIS

Fibre Intermediates Delta Scenario



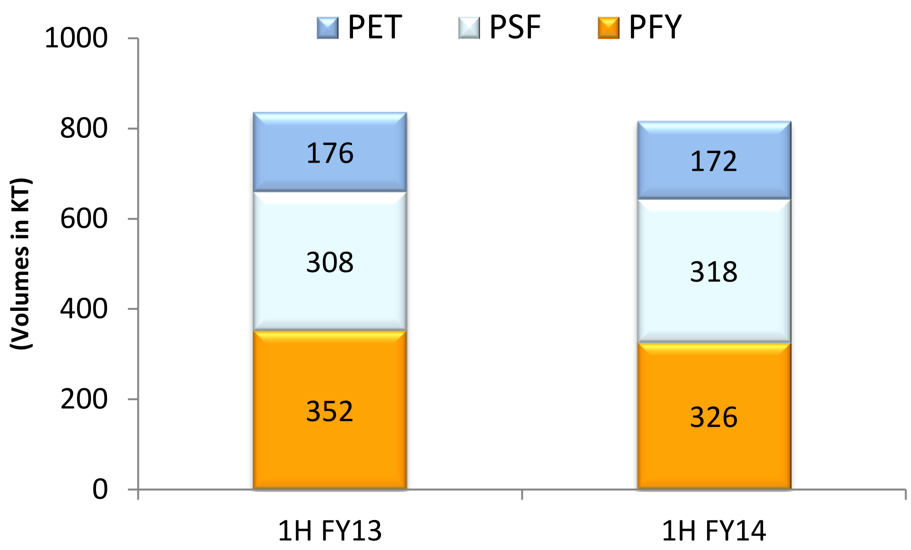


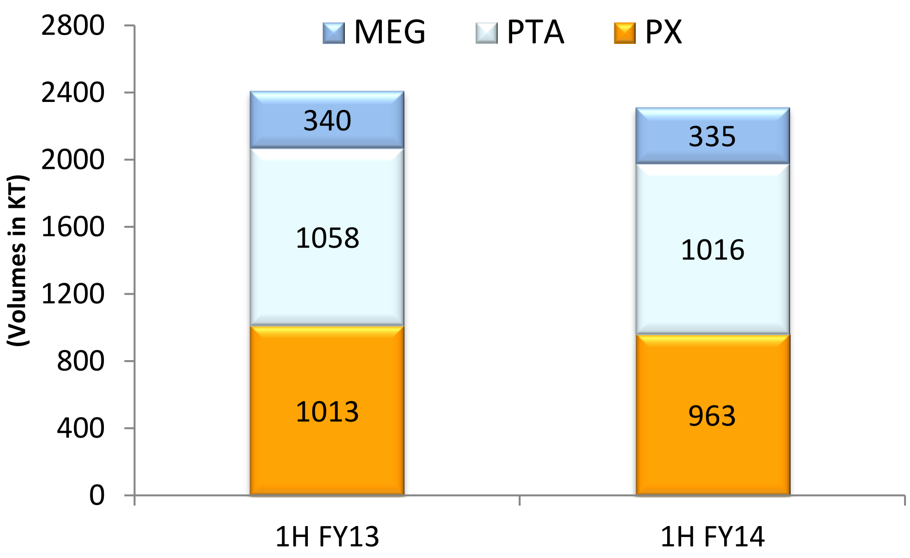


- PX margins continued to be healthy and above 5 year average
- Production rationing in PTA helps stabilise margins, still significantly lower than long-term averages
- Low Chinese stocks and expectations of cyclical upswing (low capacity additions) aided MEG margins

Source: PCI, ICIS, Platts

RIL Operational Highlights





- Polyester production down 2% Y-o-Y; planned shutdown in PFY plants and product-mix change
- Lower FID production due to planned shutdown of PX/PTA facilities in 1Q; production levels normalised in 2Q

New Product/Application Development: Polyester

- A portfolio of specialty Recron yarns imparting fancy effect in fabrics; as per current and emerging fashion trends
  - Slub yarns giving linen-effect (thick and thin) in fabrics; discernible in touch and look
  - Yarn imparting sparkle effect in fabric; party/casual wear
  - Recron*UVS: White & pre-coloured fibres for geo-textiles and awnings, giving enhanced durability against sunlight exposure
  - New AW 2013-14 range of extra-fluffy and richly-textured Recron® Certified Mink Blankets, in bright festive colors, offering enhanced comfort and a cozy feel
- Recron*Pre-coloured fibre: new application in denim fabrics
- RELPET packaging for flavored milk, sweetened syrups
- New applications of RELPET with barrier properties
  - Application in healthcare sector

Addressing textile, fashion, packaging and industrial needs

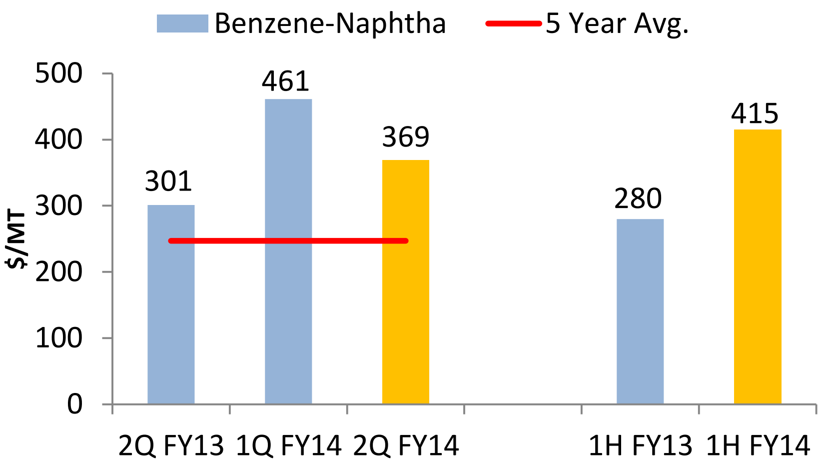
Outlook

- Polyester to benefit from peak season demand in view of year-end retail consumption and festivities
- Large polyester capacity build-up – leading to rationalization and focus on efficiencies
- Feedstock expansions in-line; operability to dictate market dynamics
- Rupee fluctuations likely to impact standalone polyester players to a greater extent
- Continued textile industry-centric Indian Govt. policies – major focus on power-loom sector
- Chinese cotton policies to significantly influence global cotton prices

Chemicals and Elastomers

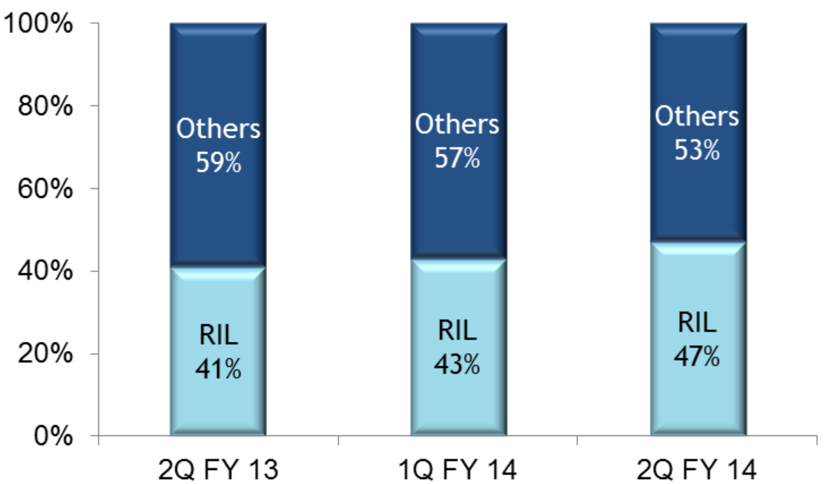
Benzene

- Benzene margin improved in 1H FY14 due to:
  - Rising demand in China
  - Lower feedstock naphtha cost
- 1H domestic demand largely steady with most downstream end-users operating at full capacity
- RIL 1H FY14 benzene production was at 358 KT, down 4% Y-o-Y due to planned shutdown
  - 1H FY14 RIL benzene exports up 7%, mainly to US, Europe, ME and China
  - RIL domestic market share in 1H FY14 at 45%



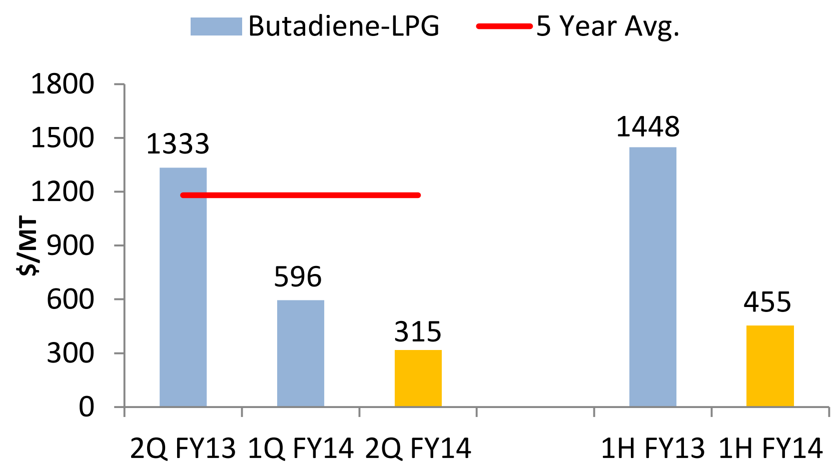
Source: Platts

Market Share

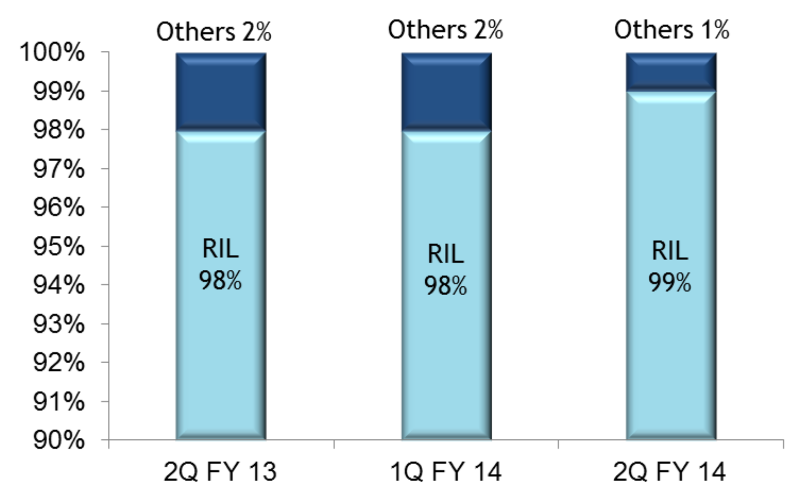


Butadiene

- Decline in delta due to sharp fall in BD prices (45% Y-o-Y) on account of weak derivatives demand (especially PBR, SBR and ABS)
- 1H FY14 domestic demand marginally up 2% Y-o-Y with increased buying interest from derivative segments
  - Domestic demand is expected to grow due to likely start up of new PBR and SBR plants
- 1H FY14 RIL production was stable at 85 KT
  - Market share of 99% in 1H FY14

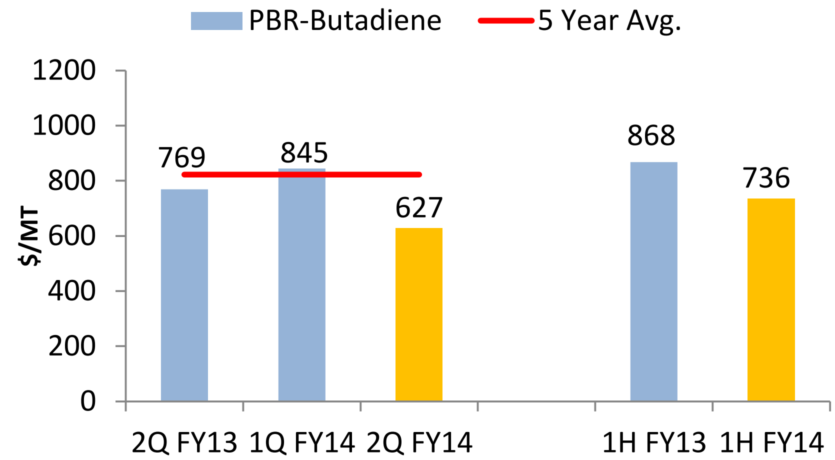


Market Share

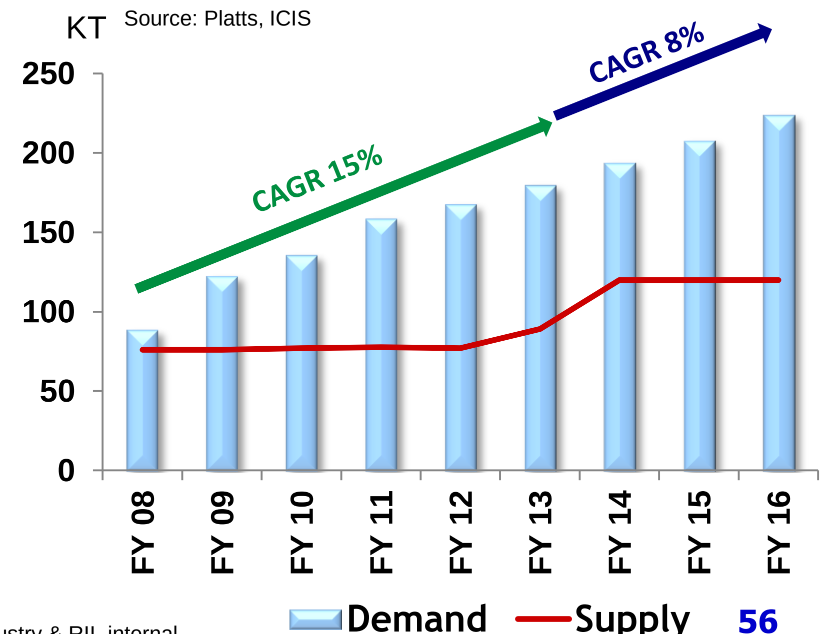


Polybutadiene Rubber (PBR)

- RIL is the sole manufacturer of PBR in India
- PBR delta declined as prices came under pressure (down 36% Y-o-Y) amidst lower BD prices and weak demand from the automobile industry
- 1H FY14 domestic PBR demand rose 11% Y-o-Y on account of growth in replacement tyre market
  - Domestic demand grew @ CAGR of 15% in last 5 years; expected @ 8% for next 3 years
- 1H FY14 RIL production stable at 39 KT
  - 1H FY14 RIL market share softened to 42% (47% last year) amidst higher influx of imports on increased industry demand



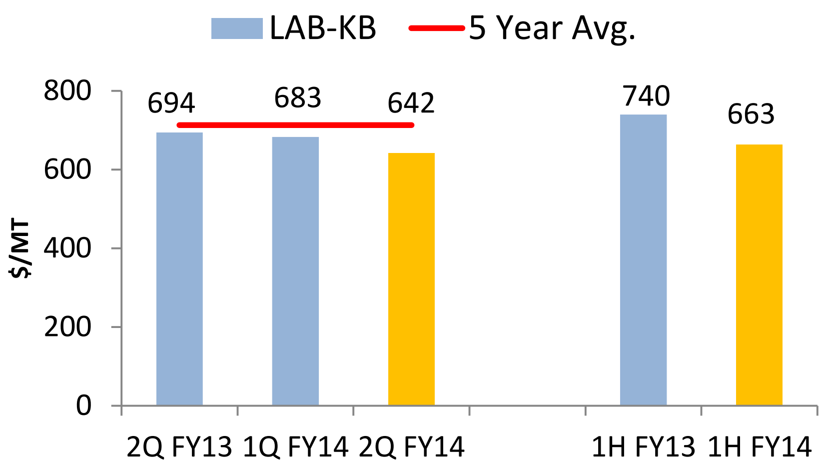
Source: Platts, ICIS



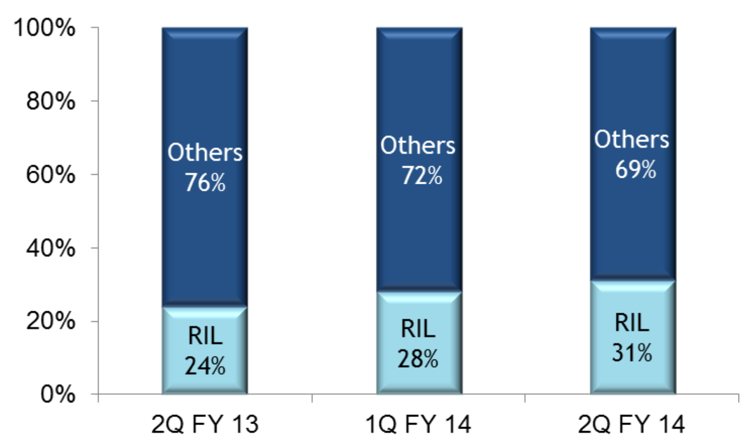
Source: Industry & RIL internal

Linear Alkyl Benzene (LAB)

- LAB deltas declined as prices came under pressure due to low-priced supply especially from Iran
- 1H FY14 domestic demand was largely stable with improved 2Q demand from detergent markets
- RIL 1H FY14 production at 71 KT, down 8% Y-o-Y due to planned shutdown in 1Q; production resumed in early-2Q
  - Market share of 29% in 1H FY14



Market Share



Reliance Retail

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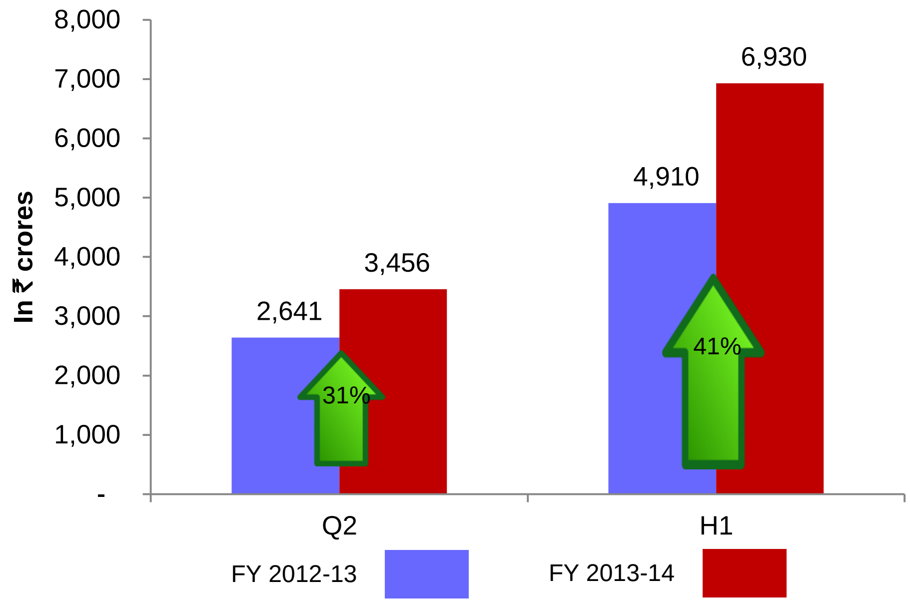
Business Performance

Sector Focus

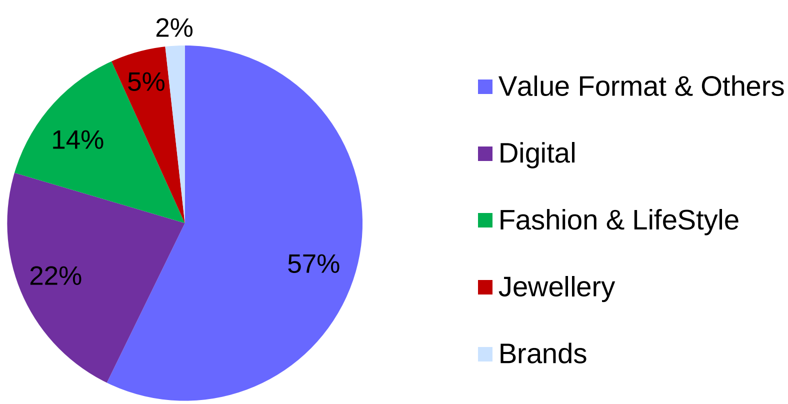
Strategic Initiatives

Performance Overview

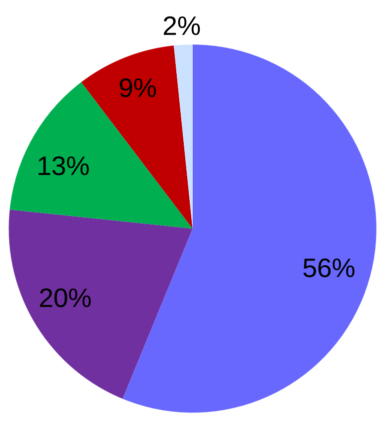
- Y-o-Y 1H FY14 turnover increased by 41% to ₹ 6,930 crore
- Y-o-Y 2Q FY14 turnover increased by 31% to ₹ 3,456 crore
- Retail business achieved PBDIT of ₹ 165 crore for 1H FY14 and ₹ 95 crore for 2Q FY14



Revenue Mix – 2Q FY14



Revenue Mix - 1H FY14

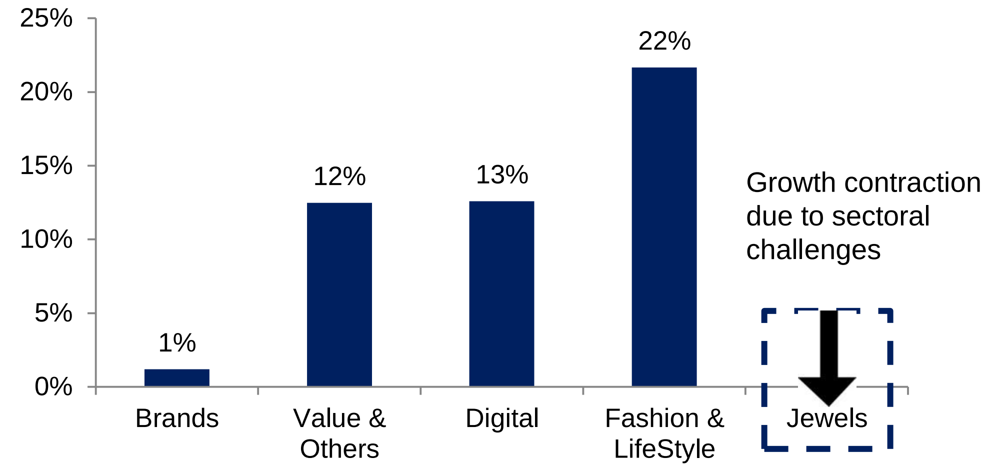


Growth in a Challenging Environment

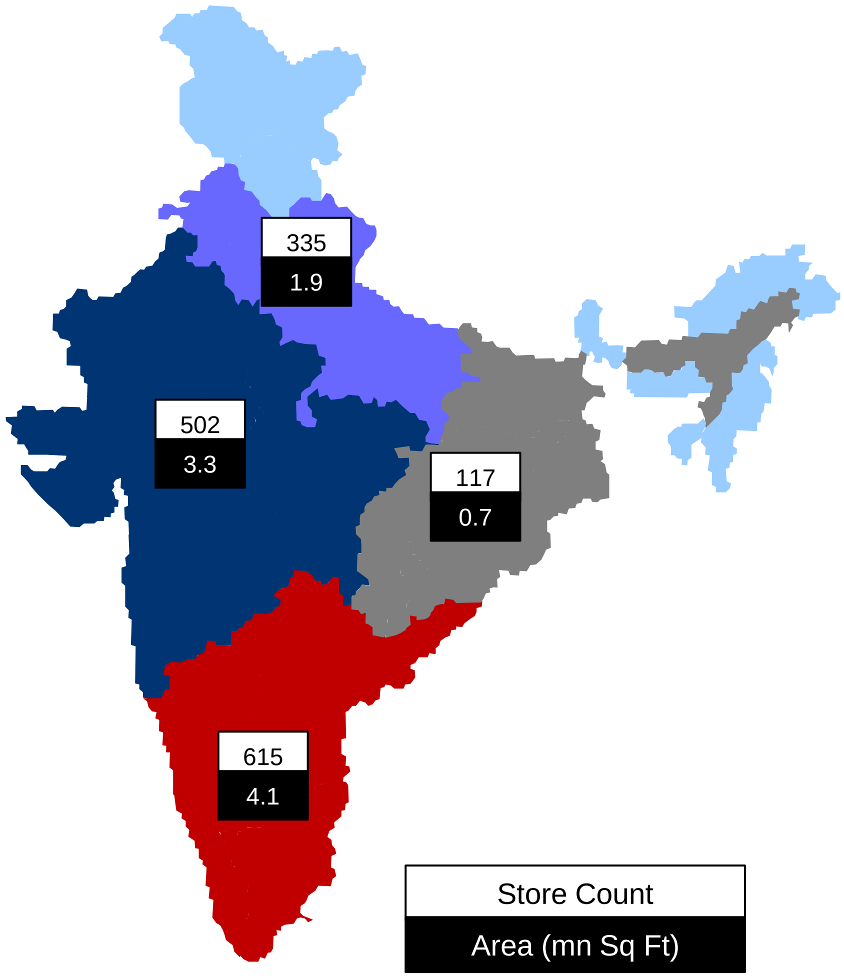
Factors impacting growth

- Jewellery sector challenges
  - Higher import duty
  - Import restrictions
  - Volatility in prices
- Business disruptions due to unrest in Andhra Pradesh
- Discontinuation of 'TimeOut' format
- "Reliance One" loyalty program – over 15 million members
- Loyalty customers contributed 65% of sales

Like for Like Growth – 1H FY14



Continued Additions to the pan-India Store Network



	Store Count*	Store Additions 2Q FY14
Jewellery	54	-
Brands	90	8
Digital	180	29
Fashion & Lifestyle	471	16
Value and Others	774	5
Total Stores	**1,569**	**58**

*As on September 30, 2013

Crossed a milestone of 10 million Sq Ft of retail space

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Business Performance

Sector Focus

Strategic Initiatives

Sector Focus: Digital

- Pan-India market leader with 180 stores across 57 cities
- Extending the in-store experience to the customer's home for a lifetime partnership
- Innovative merchandising and marketing concepts
- Strong partnerships with all leading brands
- Authority in all categories presented
- Growth Drivers:
  - Continued focus on costs and improving net operating margin
  - Quality of staff and investment in training
  - Strengthen own brand presence
  - Working on deployment of multi-channel strategy

Reliancedigital digitalxpress iStore by Reliancedigital RelianceresQ Reconnect

Digital Xpress: Gaining Traction

- Digital Xpress – solutions based product and service offerings
- Exceptionally good response from customers as well as brand partners
- Key success factors:
  - Experiential shopping
  - Design & Layout
  - Knowledgeable store associates
  - resQ service
  - Future ready for next gen technologies

Devices + Accessories + Content + Services

High acceptance to concept… encouraging faster rollout 17 stores and counting

resQ – Trusted Technology Solutions & Home Care Partner

- resQ –
  - End to end solutions and technical support service
  - Pre & post sales service
- Over 1 million households serviced
- Authorized service provider for all leading brands
- Launched comprehensive home care plans for home appliances and electronics
- 43 service centres across 36 cities,
  - Pan-India roll-out underway

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Business Performance

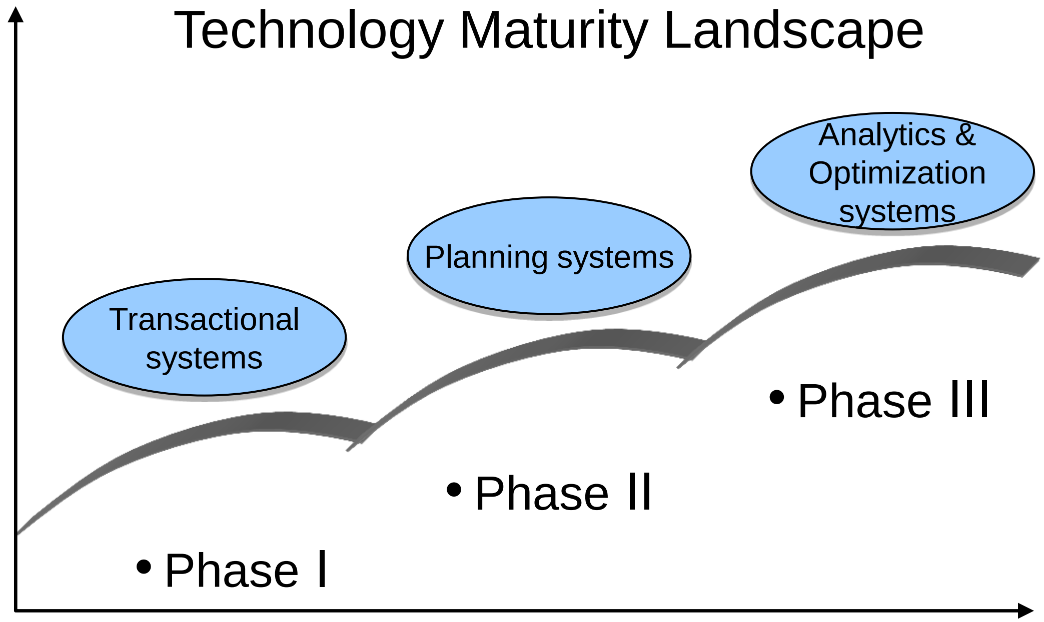
Sector Focus

Strategic Initiatives

Strategic Initiatives: Technology

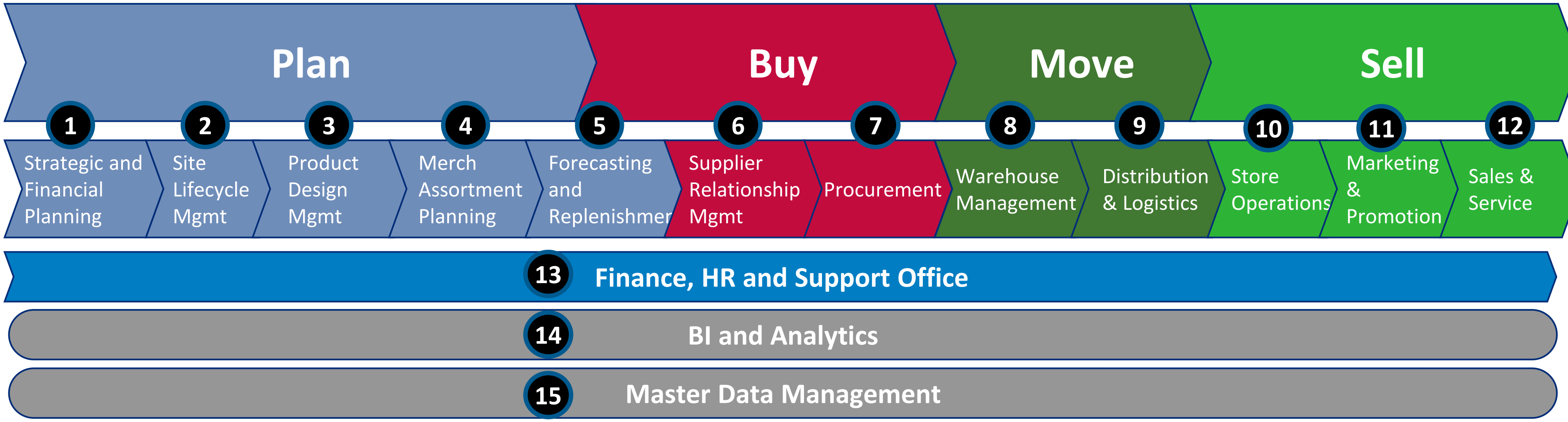
- Early adoption of technology at forefront of industry
- Building on robust platform – deployment of advanced technology initiatives underway
- Continuous focus and investment on leading edge technologies

Reliance Retail –
Technology Maturity Landscape



Technology - a key enabler of growth & efficiency

Technology Initiatives Across Functional Areas



- Advanced planning and governance capabilities
- Strong execution systems
- Comprehensive vendor collaboration
- Efficiencies in distribution
- Robust master data management strategy

Technology – key component to meet strategic objectives

Technology: Some Key Initiatives

Initiative	Benefits	
Mobile Point of Sales (MPOS)	Increased mobility and flexibility for greater customer satisfaction Flexible footprint & enhanced efficiency	
RFID based automation for jewellery	Superior inventory handling for better product availability Increased security Automation of processes	
Assortment and Space Optimization	Identifying &replicating optimum product flows Assortment reflecting customer demand Merchandising innovation Space efficiency	
Customer Relationship Management	Expanding current CRM capabilities Building excellence and integrated customer view Unified experience across all customer touch points	

Summary

Summary

- Global hydrocarbon businesses performance reflect inherent resilience in business model – product portfolio, integration and cost competitiveness
- Petrochemicals and Refining delivering strong, sustainable operating performance and cash-flows in a volatile market environment
- New investments leverage key strengths – innovation, scale and project management – to deliver globally competitive assets in a changing environment
- US shale investments keeping RIL in the forefront of game-changing technology and innovation in sector
- Domestic discoveries validate prospectivity, but needs price approval to create value for RIL and India
- India-centric growth opportunity in retail business; strong back-end and delivery to position most formats as market leaders in their category

Reliance is committed to invest for growth in India, for India

Ongoing investments to ensure growth and sustainability

Thank You