

2Q FY 2017-18
Financial Results
13th October, 2017



Reliance
Industries Limited
Growth is Life



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Financial Results



Digital Services Segment Performance

- Positive EBITDA and EBIT in the very first quarter of commercial operations
 - Strong uptake of Jio services
 - Benefits of efficiencies and scale
- 139 million subscribers and 378 crore GB consumption per quarter
 - India's largest wireless data subscriber base
 - World's largest and fastest growing mobile network
- Consumption
 - Voice ~626 minutes per month
 - Data consumption > 10GB/ user/ month

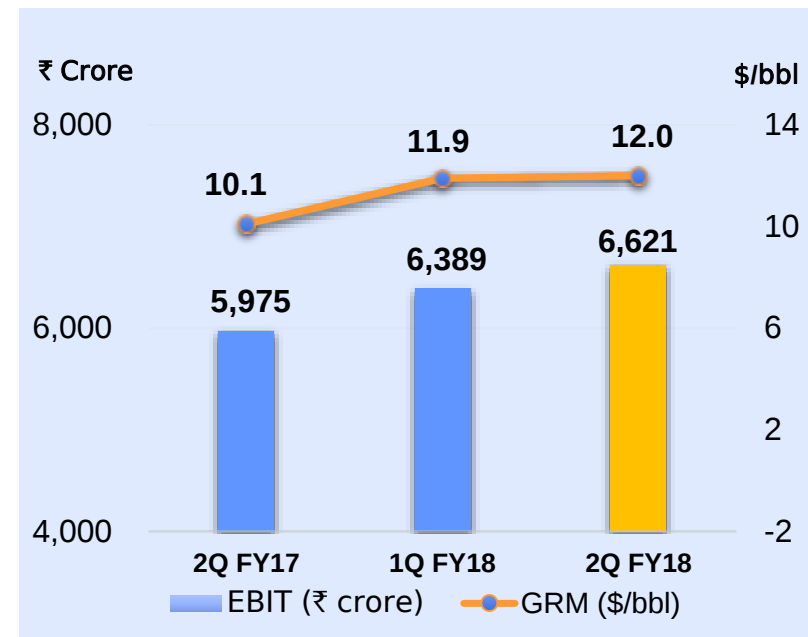
	2Q' 17-18
Operating revenue	6,147
EBITDA	1,443
EBITDA margin	23.5%
EBIT	260
Net Income	- 271

figures in Rs crore, unless otherwise stated

- Ramp-up in customer base and newer service offerings to enhance future profitability

R & M Segment Performance

- GRM of \$ 12.0/bbl – 9 year high
 - Strong transportation fuel cracks
 - Healthy global demand growth forecast at 1.6 MMBD for 2017
- Throughput of 18.1 MMT
- Adverse Q-o-Q move in crude differentials
 - Narrower Light heavy differentials
 - Wider Brent-Dubai differentials
- Premium over Singapore complex at \$ 3.7/bbl
- 1,263 retail outlets covering all key highways
 - HSD throughput 2x of key competitors
 - Total retail sales at ~1000 TKL (+ 48% YoY)
- 2Q FY18 India oil demand growth 4.2% Y-o-Y led by Gasoline (9%), Diesel (6.6%) and Jet Fuel (10.9%)

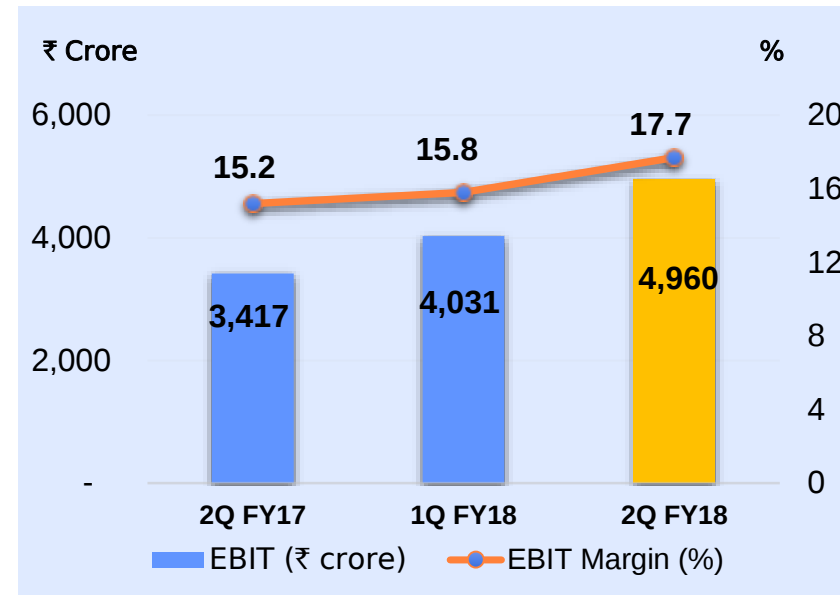


Note :1Q FY18 figures exclude exceptional item of Rs. 1,087 crore

- Record EBIT up 10.8% Y-o-Y and 3.6% Q-o-Q

Petrochemicals Segment Performance

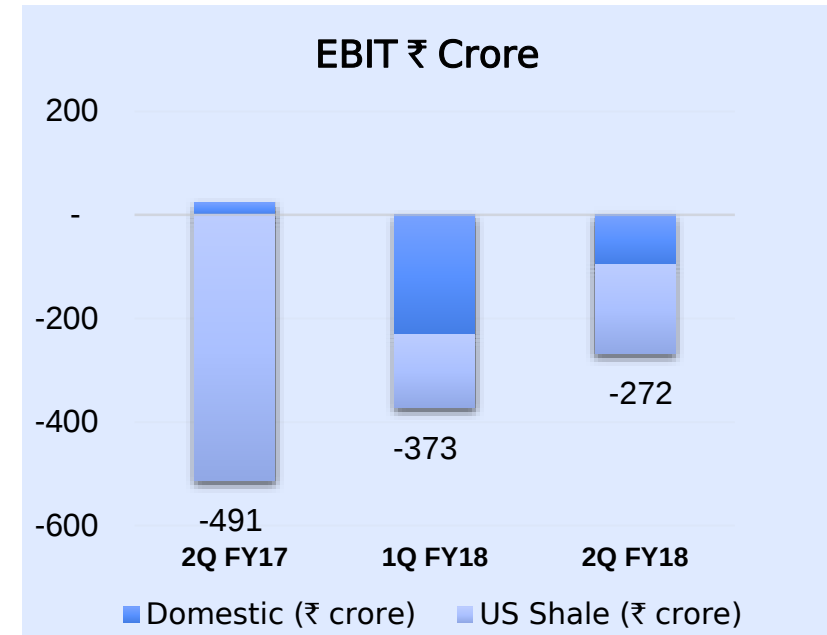
- Firm polymer and polyester chain deltas Q-o-Q
 - PVC (+14%), MEG (+27%), PSF (+49%), POY (+20%) and PTA (+14%)
- Enhanced competitiveness of cracker portfolio, improved product mix
 - Ethane cracking stabilized in Hazira and Dahej
- ROGC and downstream units started up and under stabilization
- Highest ever production volumes at 7.5 MMT, up 15% Q-o-Q
- Domestic polymer and polyester demand up 2% Q-o-Q – Recovery towards second half of quarter after stabilization of GST regime



- Highest ever segment EBIT up 45% Y-o-Y and 23% Q-o-Q
- EBIT margin up 190 bps Q-o-Q – Highest in ~10 years

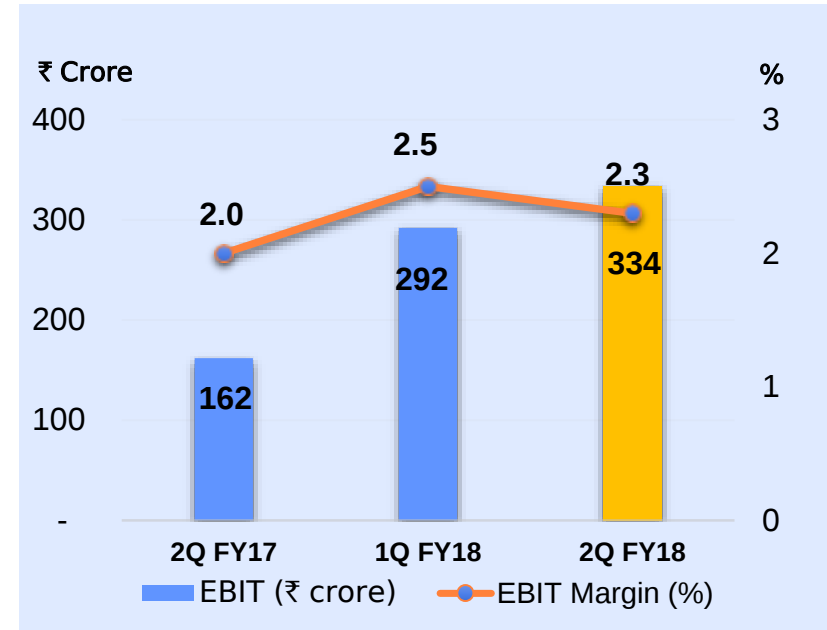
Oil & Gas Segment Performance

- Domestic production 20.6 BCFe, down 1% QoQ
 - KG-D6 gas production averaged at 5.4 MMSCMD
 - KG-D6 oil and condensate production averaged at 2,073 BOPD
- CBM production averaged 0.6 MMSCMD
 - Bidding for long term GSPA of 3 years concluded. RIL emerged highest bidder
- US shale production at 33.5 BCFe, down 3.5% QoQ
 - Unit realization at \$ 2.81/Mcfe, down 13% QoQ
- Sale of Marcellus assets held in JV with Carrizo
 - Upfront consideration of \$ 126 mn



Retail Segment Performance

- 2Q FY18 turnover at ₹ 14,646 crore, 81.3% Y-o-Y and 26.6% Q-o-Q
- PBDIT ₹ 444 crore up 68.2% Y-o-Y, 11.6% Q-o-Q
- Net addition of 45 stores during the quarter, now operating 3,679 Stores in 750 cities
- Increased retail footprint to 14.2 Mn SqFt
- Ajo enhances last mile delivery to >12,000 pin codes
- Reliance Retail acquired 40% stake in Genesis Luxury
 - Rich portfolio of operated brands – Armani, Hugo Boss, Coach, Michael Kors and many others



- Record EBIT up 106.2% Y-o-Y and 14.4% Q-o-Q

Consolidated Highlights : 2Q FY18



Financial Performance

- **Revenue** at ₹ 101,169 crore, up 23.9% Y-o-Y
- Record **consolidated EBIT** of ₹ 12,046 crore, up 31.2% YoY
 - Robust refining and petchem margins
 - Higher volumes, improved cracker competitiveness in petchem
 - Positive contribution from Jio
- Highest ever **consolidated profit** of ₹ 8,109 crore, up 12.5% YoY
 - Net profit growth impacted by higher interest, depreciation and deferred tax with start-up of projects
- Highest ever **standalone profit** of ₹ 8,265 crore, up 7.3% YoY



Project Update

- **PX plant** - All 3 trains commissioned
- **ROGC and downstream units** - started and being stabilized
- **Ethane project** - Cracking of ethane streamlined at Dahej and Hazira
- **Gasification (DTA)** – Start-up activities have commenced

Refining & Marketing



Performance Highlights

Performance

2Q FY17

1Q FY18

2Q FY18

18.0 MMT

Throughput

17.3 MMT

Throughput

18.1 MMT

Throughput

₹ 60,527 Cr.

Revenue

₹ 66,945 Cr.

Revenue

₹ 69,766 Cr.

Revenue

₹ 5,975 Cr.

EBIT

₹ 6,389 Cr.

EBIT*

₹ 6,621 Cr.

EBIT

\$10.1/bbl

GRM

\$11.9/bbl

GRM

\$12.0/bbl

GRM

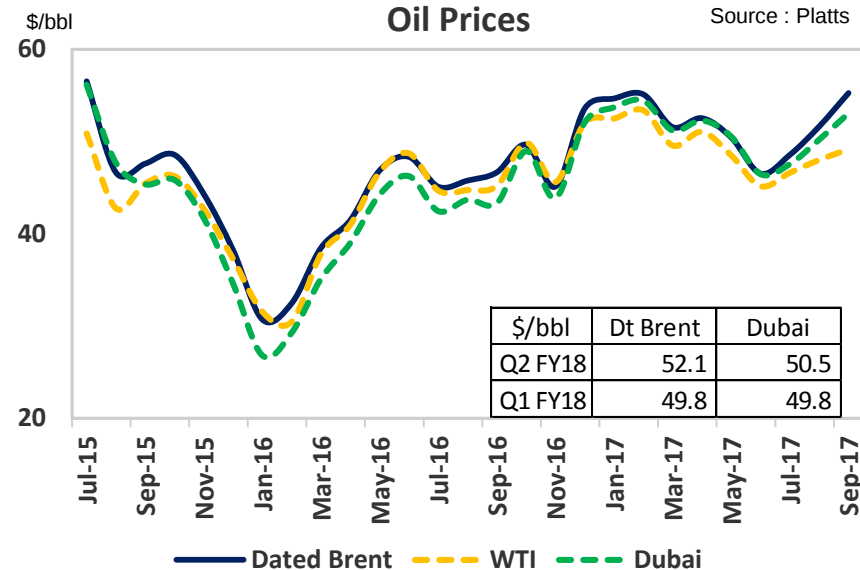
*1Q FY18 EBIT exclude exceptional item of Rs. 1,087 crore

- Higher capacity utilization to take advantage of stronger cracks
- Continued outperformance over Singapore complex margins, despite
 - Narrowing AL-AH differential
 - Widening Brent-Dubai differential
- Increased downstream integration with start-up of ROGC
- RIL refinery – Recognition for excellence
 - SEZ Refinery received "Refinery of the year 2016" award from FIPI
 - Ranked 3rd globally in S&P Global Platts Top 250 Global Energy Company Rankings list
 - 'Dun and Bradstreet Corporate Awards 2017' in Oil – Refining & Marketing sector

Strong operational performance led by higher utilization and favorable cracks

■ Crude oil prices gained towards the quarter end

- Crude prices above late 2016 levels when OPEC / non-OPEC producers announced cut
- Brent averaged \$52.1/bbl in 2Q FY18: Sep average \$56/bbl
- Crude oil forward curve is backwardated for the rest of the year pointing to firmer fundamentals in global oil market
- Brent / Dubai differential widened to \$1.6/bbl from near parity levels during the previous quarter

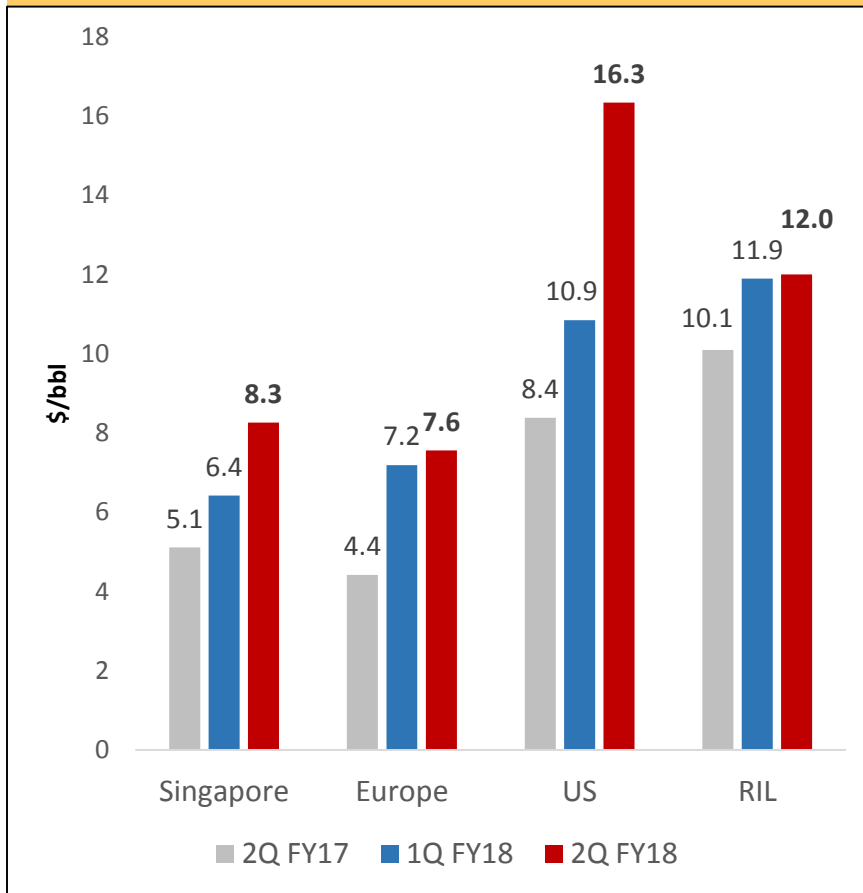


- Refinery utilization in North America fell by ~3% q-o-q; primarily due to Hurricane Harvey
- The global oil demand for 2017 increased to 1.6 mb/d from 1.4 mb/d in the previous quarter
 - Strong OECD demand growth was observed during the quarter in US and Europe
- Gasoline and middle distillate cracks surged globally with product stocks receding from their multi-year highs

Refining margins gained from product stock draws and supply disruptions

Global Refining Margins Environment

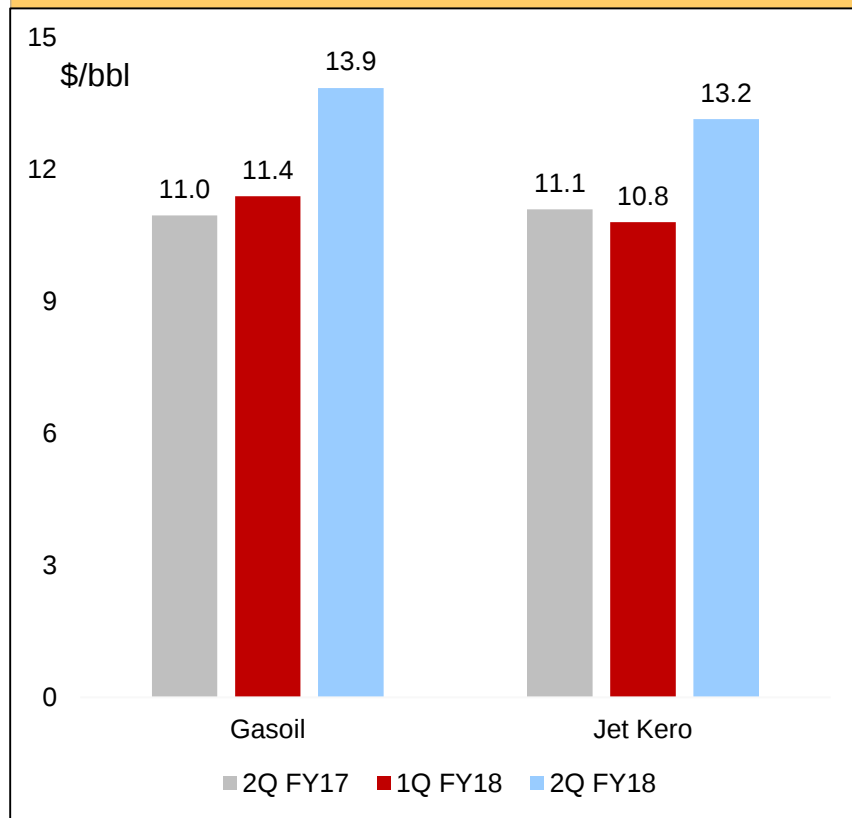
Global Refining Margins



- All regional Refining margins were higher on a Q-o-Q basis as well as Y-o-Y basis
 - Supply disruptions by hurricane Harvey and earthquake in Mexico
 - Stronger demand growth
 - Product stocks receded globally
- RIL outperforms Singapore complex margin by \$3.7/bbl
 - Higher secondary unit throughputs
 - Narrow Light-Heavy differentials capped margins

RIL's GRM of \$ 12.0/bbl – 9 year high

Middle Distillate Cracks

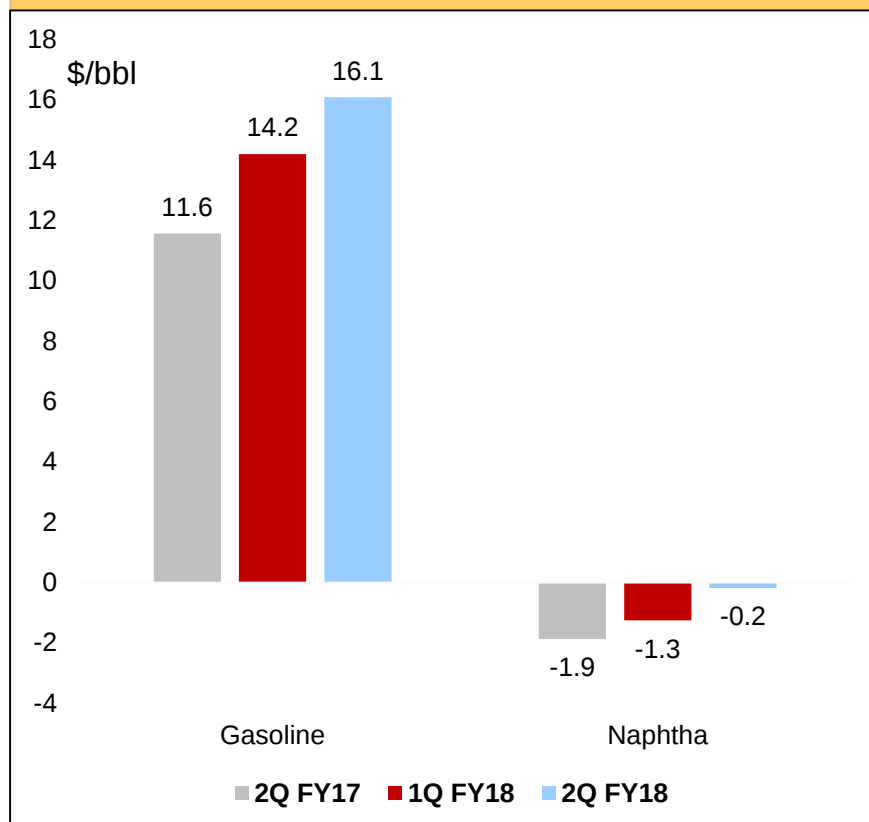


Middle distillate cracks strengthened

- Supply disruption in US Gulf Coast, firm demand in Europe/CIS and inventory depletion in Asia
- Arbitrage trade flows to Latin America to replace loss of supply from USGC
- Higher refinery maintenance led to lower supplies out of India
- Jet re-grade remained negative for third consecutive quarter

Middle distillate cracks gained on tight demand/supply balance

Light Distillate Cracks



Gasoline cracks increased sharply

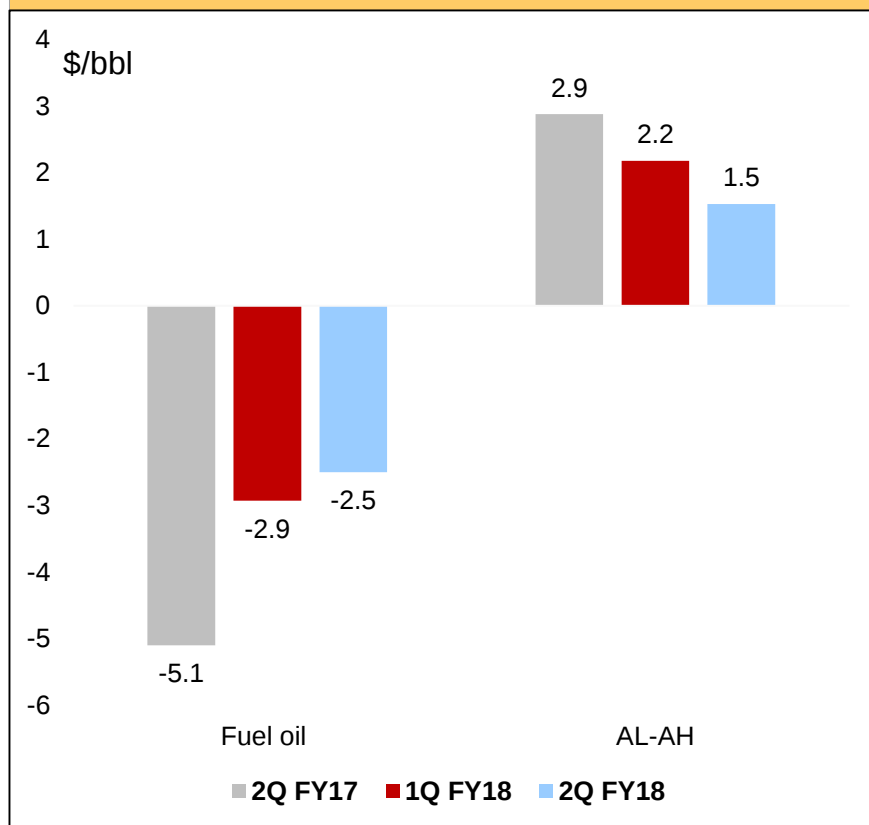
- Natural calamities related disruption in the Atlantic basin (USGC and Mexico) supported gasoline cracks globally
- Unplanned refinery outages in Asia and Europe also lifted cracks

Naphtha cracks up in line with gasoline

- Adverse LPG economics and firm petrochemical demand in Asia
- Crackers coming back from maintenance supported margins

Gasoline cracks gained from supply disruptions and firm demand

Fuel Oil & AL- AH diff



Fuel oil cracks strengthened

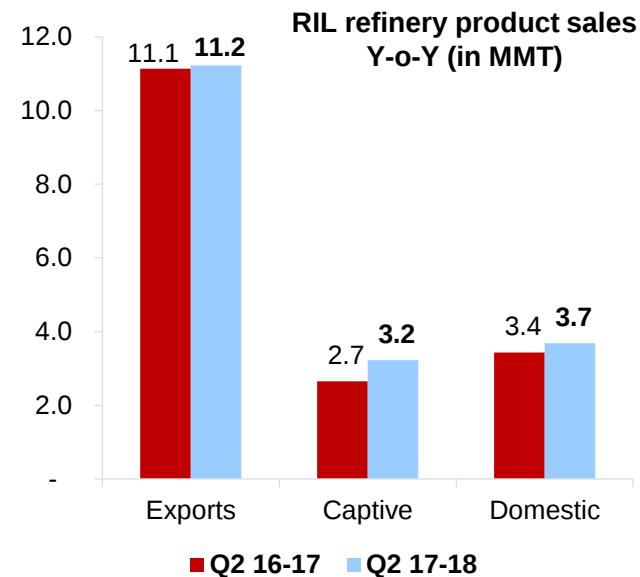
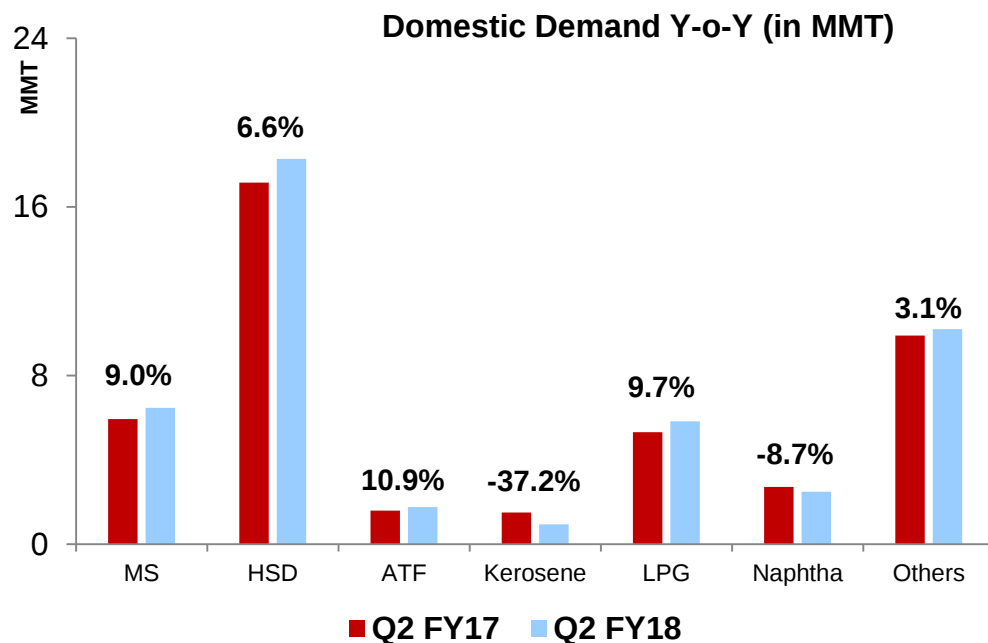
- Firm bunker fuel demand in Singapore
- Restricted heavy crude oil supply globally supported cracks

AL-AH differential lower

- OPEC cuts, declining production from Mexico and Venezuela led to lower heavy crude supply
- Higher light crude supply from Libya and Nigeria as well as sustained resilience of U.S. shale oil production

Strong fuel oil cracks on lower supply and firm bunker demand

Robust Domestic Fuel Demand Growth



- Overall demand growth of 4.2% Y-o-Y
- Continued strong demand growth for MS, ATF and LPG
- Despite high base, HSD demand growth robust at 6.6% Y-o-Y

- In domestic market, retail volumes have increased by 48% Y-o-Y
- Higher downstream integration led to increased captive sales Y-o-Y

Resilient demand trend in seasonally weak quarter

Retail Outlets

- Y-o-Y volume growth: 50% in HSD and 38% in MS
- 1,263 outlets - covering all key highways
- HSD throughput twice that of key competitors
- Total sales for quarter ~1000 TKL (up 48% Y-o-Y)

Trans-connect

- Trans-connect accounted for all time high 29% of HSD Sales
- Sales per customer increased to 1.54 KLPM, up 2x in 2 quarters
- Initiated HSD sales to Mobile Towers with innovative E-commerce delivery model

Developments

- Dynamic Pricing: Only OMC with end to end automation allowing seamless execution of daily price revision
- Driver Loyalty Program: Card based Unique Program launched in three states (Raj / Guj / Har)
- Anti-Meter tampering drive by authorities: No adverse findings, RIL Q&Q commitment validated

Bulk HSD

- Volume growth of 65% Y-o-Y; Market share improved from 4.3% to 7.2% Y-o-Y
- Diversified customer base with 104% Y-o-Y growth in non-railway business
- Initiated expansion in East India (Odisha, Jharkhand and Chhattisgarh)

ATF

- Fastest growing ATF supplier and refueling 1 aircraft every 3.7 min
- Commenced refueling operations at Delhi T1
- Expansion planned at 4 more airports for commissioning in the current fiscal

LPG

- Driving Reliance Retail synergies to improve sales in Domestic and HORECA (Hotel, Restaurants and Catering) sector
- Introduction of Composite Cylinders in select markets to promote safe, lightweight and cash n carry sales for Domestic customer
- Developing a new propane based fuel market in Western India

Segment specific strategies helped maintain growth in all products

Responsiveness

- Adjusting spot purchases to take advantage of arbitrage economics from sources such as North America and Mediterranean

Flexibility

- New extra heavy crude from South America and Middle East introduced in to refinery
- New grade with high flash ATF produced in the quarter
- Improved product flexibility with new generation catalyst in hydrocracker
- Seamlessly implemented Daily pricing - only player with central downloading of prices for all network outlets

Downstream Integration

- Increased Petrochemical Intensity Index with PX4 commissioning and ROGC start-up leading to further value addition

Oil demand growth outlook has improved further to 1.6 mb/d in 2017

Net refinery capacity addition in 2017 and beyond to lag demand growth; further supporting the margins

Gasoline and Gasoil cracks to remain firm with stable demand and improving economic activity globally

Light heavy differential to remain under pressure with constrained availability of heavy grades

Strong consumption demand and improving economic activity to keep demand growth ahead of supplies

Petrochemicals



Robust Financial and Operating Performance

Performance

2Q FY17

6.4 MMT

Production

1Q FY18

6.5 MMT

Production

2Q FY18

7.5 MMT

Production

₹ 22,422 Cr.

Revenue

₹ 25,461 Cr.

Revenue

₹ 27,999 Cr.

Revenue

₹ 3,417 Cr.

EBIT

₹ 4,031 Cr.

EBIT

₹ 4,960 Cr.

EBIT

15.2%

EBIT Margin

15.8%

EBIT Margin

17.7%

EBIT Margin

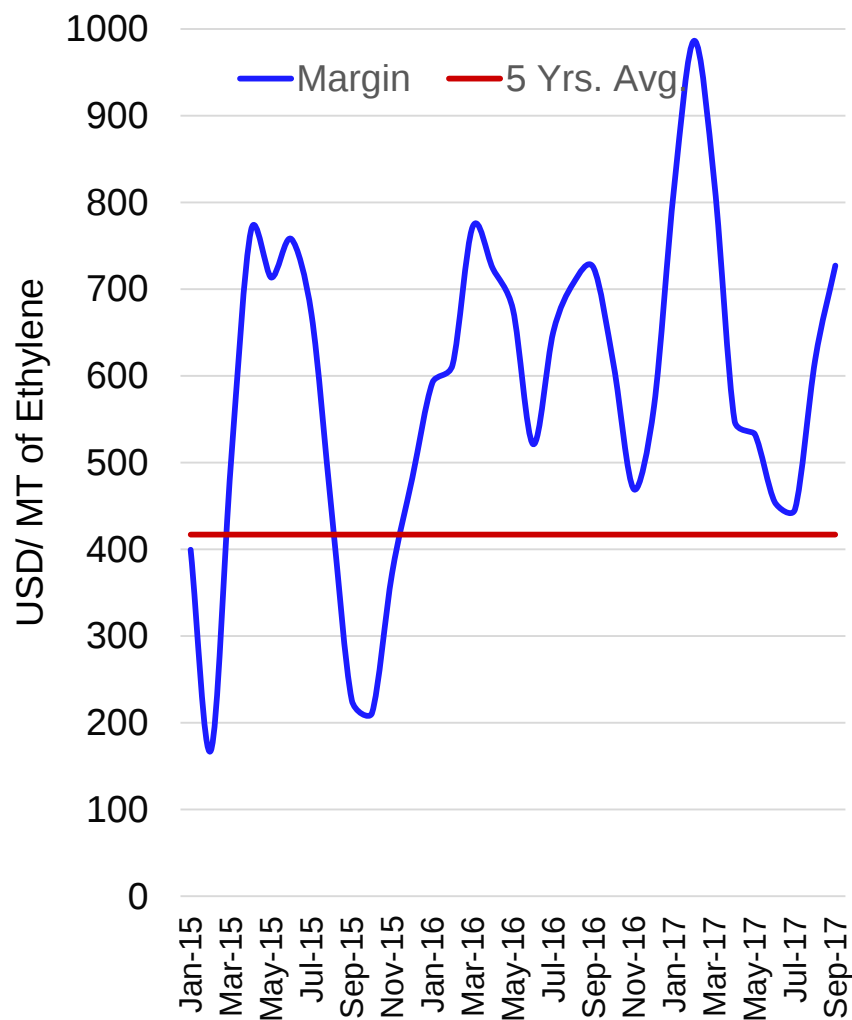
Key Highlights

- Record segment earnings
 - Near 10 year high EBIT margin reflecting benefits of integration and globally competitive cost positions
- Strong polymer and polyester chain deltas Q-o-Q
 - PVC (+14%), MEG (+27%), PSF (+49%), POY (+20%) and PTA (+14%)
- Strong volume growth Q-o-Q
 - Higher volumes in Cracker/ Polymer product (planned turnaround in 1Q FY18 at Hazira and Nagothane)
 - Incremental volumes from newly commissioned PX plant

Best in class performance driven by favorable margins and strong volume growth

Industry Environment 2Q FY18

SEA Integrated Margin

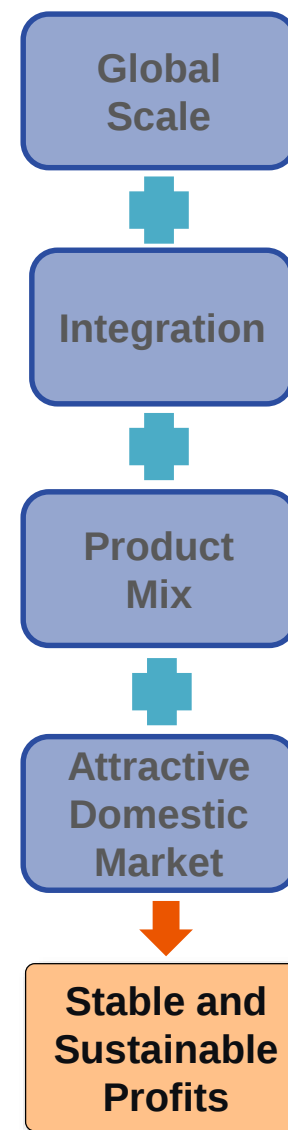


- Crude and feedstock prices remained firm due to OPEC production cuts, impact of Hurricane Harvey
 - Crude up 2% Q-o-Q and 17% Y-o-Y
 - Naphtha up 3% Q-o-Q and 20% Y-o-Y
- Healthy ethylene margins, supported by strong demand, inventory drawdowns, and Harvey induced logistical supply constraints
- Chinese CTO capacities continue to face environmental headwinds
- Integrated polyester chain margins strengthened on the back of robust downstream deltas
- Improved downstream demand post GST stabilization and ahead of festive season bolstered petchem performance
 - Polymer demand up 1% Q-o-Q, 3% Y-o-Y
 - Polyester demand up 2% Q-o-Q, down 4% Y-o-Y

- PX facility at Jamnagar – All 3 trains commissioned
- Cracking of Ethane streamlined at Dahej and Hazira
 - All 6 VLECs have delivered at least 1 cargo each from USGC to Dahej
- Modification for feedstock flexibility at Nagothane completed; ready to receive Ethane for cracking
- ROGC, MEG, LDPE and LLDPE plants started and being stabilized

Quality Portfolio For Sustainable Growth

Product	2014		2017	
	RIL	Global Ranking	RIL	Global Ranking
	Capacity (MMTA)		Capacity (MMTA)	
Ethylene	1.9	20	3.6	12
Propylene	2.8	10	3.0	10
PP	2.7	6	2.9	5
PE	1.2	20	2.2	14
PVC	0.7	17	0.7	16
PTA	2.7	9	4.9	4
PX	2.2	5	4.2	2
MEG	0.7	8	1.5	6
PFY	1.9	2	2.3	2
PSF				
PET	0.5	16	1.2	7

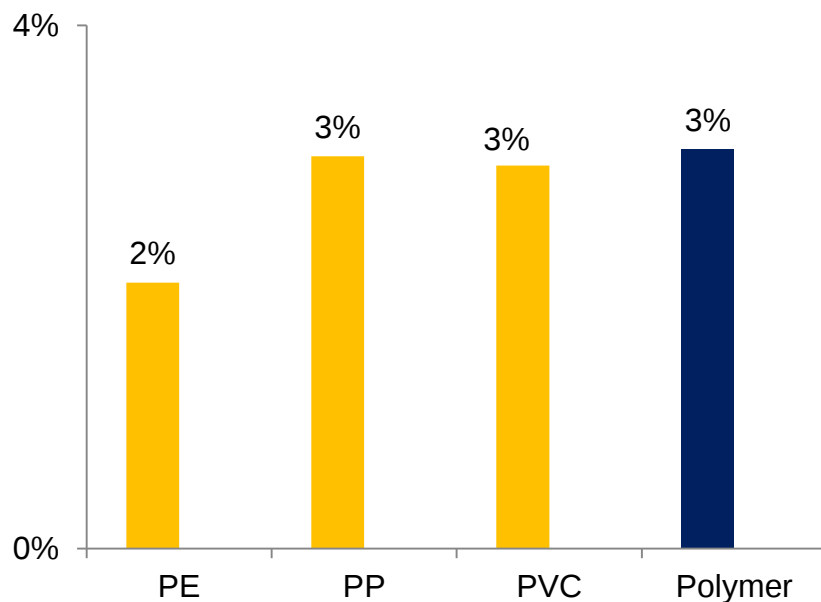


Note: 2017 global capacity is considered as current global capacity
 Only Polymer/ Chemical grade of Propylene capacity has been considered
 Source: RIL Capacity - in house update; Global Capacity : PCI IHS Markit database

Cracker/ Polymer Chain



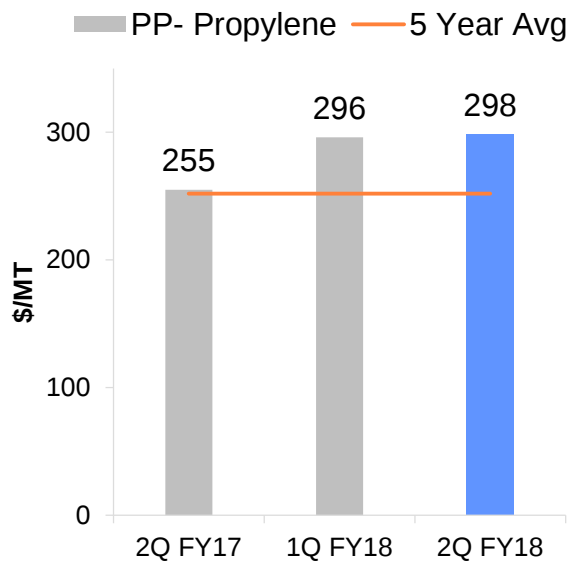
Domestic Demand Growth (2Q FY18 vs 2Q FY17)



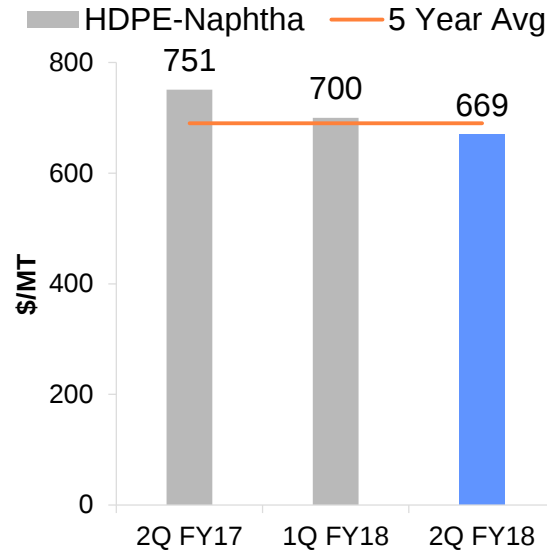
- 2Q FY18 domestic polymer demand up 3% Y-o-Y
- Improvement in domestic demand with stabilization of GST regime, post an initial slowdown
 - Continuing growth momentum in automobile and packaging sector
 - Strong demand growth ahead of festive season

Polymer Delta Scenario

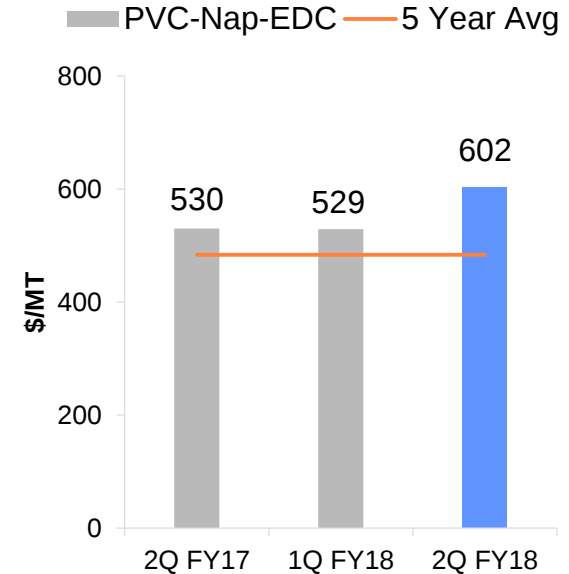
PP-Propylene



HDPE-Naphtha



PVC-Naphtha-EDC



- PVC delta strengthened due to supply constraints and higher availability of low price chlorine
- PE and PP delta remained stable with firm feedstock price

Polymers – Operating Performance

RIL Production

(In KT)	2Q FY17	1Q FY18	2Q FY18
PP	716	646	710
PE	282	176	279
PVC	188	156	191
TOTAL	1186	978	1180

Key Highlights

- Polymer production back to normal levels post cracker shutdown for Ethane modification at Hazira and Nagothane
- Ethane cracking streamlined at Dahej and Hazira
- First of its kind ROG C project completed
 - World's largest LDPE unit started
 - MEG, LLDPE units also operational
 - Sustainable competitive edge with feedstock integration
 - New output to meet the growing domestic demand

Improving cost position for RIL's cracker portfolio with ethane import and ROG C

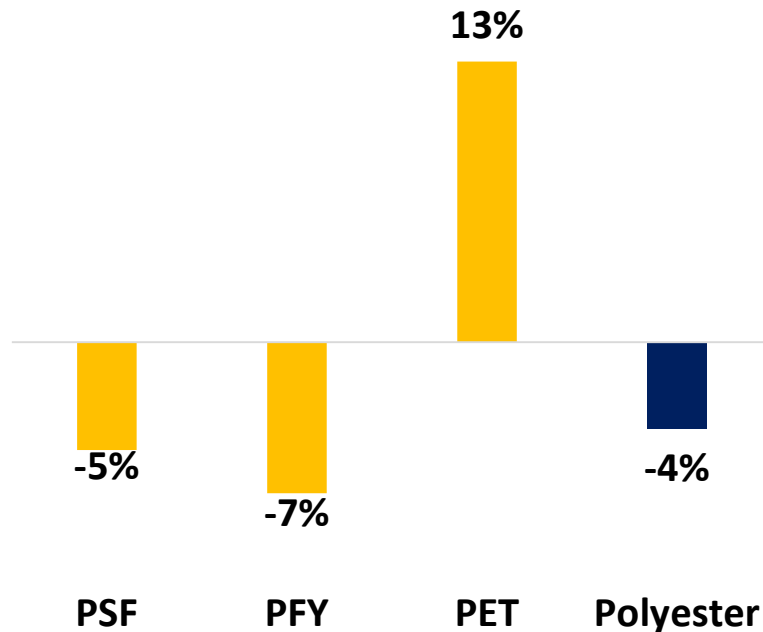
- Ethylene operating rates to remain high with further delays in US cracker projects
- Strong Propylene demand growth leading to increased on-purpose capacity addition
 - PDH projects driven by integrated margins with sustainability based on downstream margin environment
- GST implementation expected to have long term positive impact on the sector - Businesses witnessing signs of robust offtake
- Consumption led demand in Asia/EM expected to remain healthy - supporting margins

Rising demand expected to absorb incremental supplies

Polyester Chain



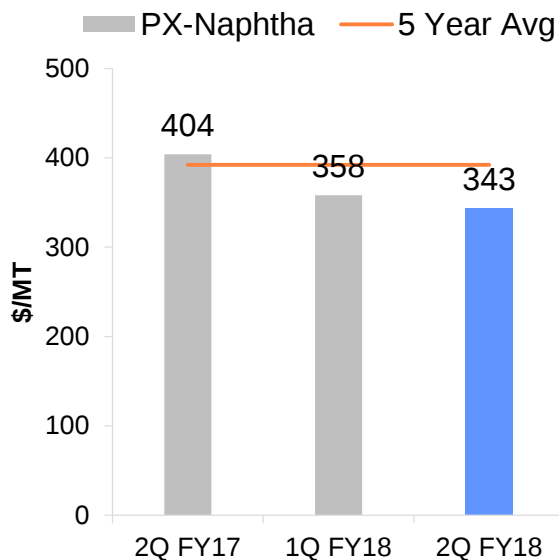
Domestic Demand Growth (2Q FY18 vs 2Q FY17)



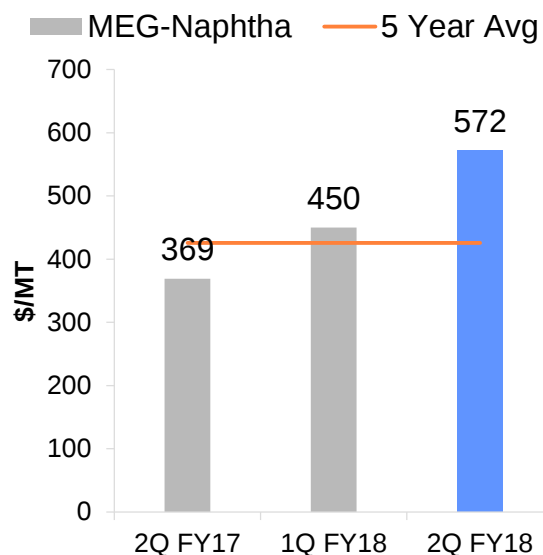
- Polyester off-take witnessed slow down initially with implementation of GST
 - Demand growth stabilized and improved towards the quarter end
- PET witnessed healthy demand as downstream replenished inventories post GST implementation

Fiber Intermediates Delta Scenario

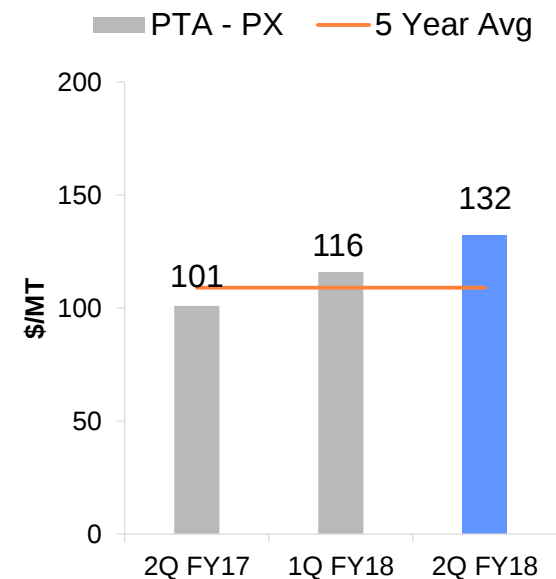
PX - Naphtha



MEG - Naphtha



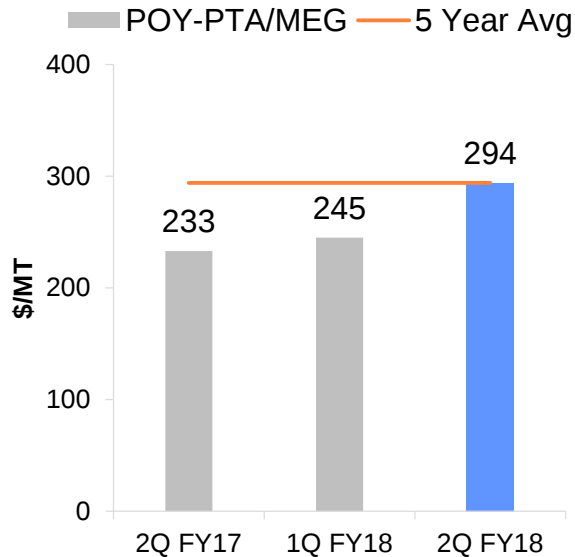
PTA- PX



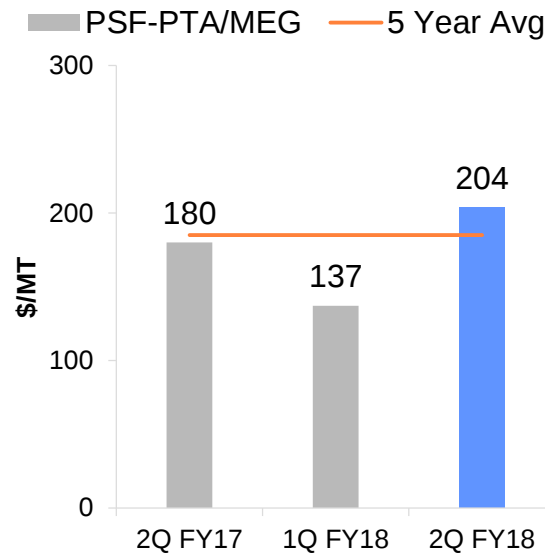
- Polyester intermediate deltas driven by firm industry trends, with high operating rates for downstream polyester units in China
- MEG delta highest since Oct '11 due to robust demand, tight supplies and speculative activities
- PTA deltas were supported by robust downstream demand, tight supplies owing to planned turnarounds in the region

Polyester Delta Scenario

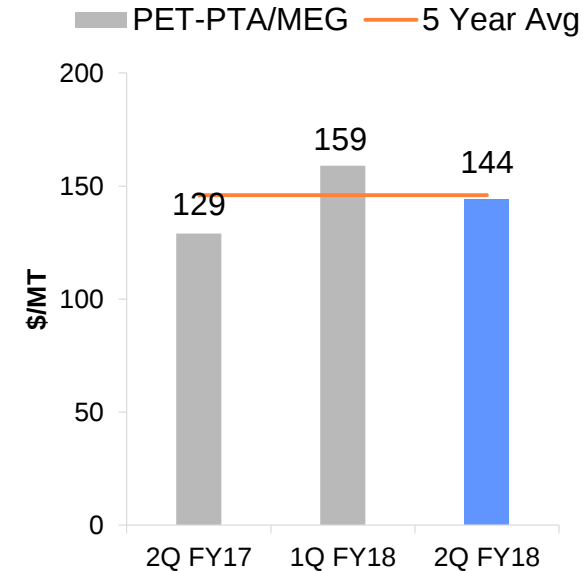
POY- PTA/MEG



PSF - PTA/MEG



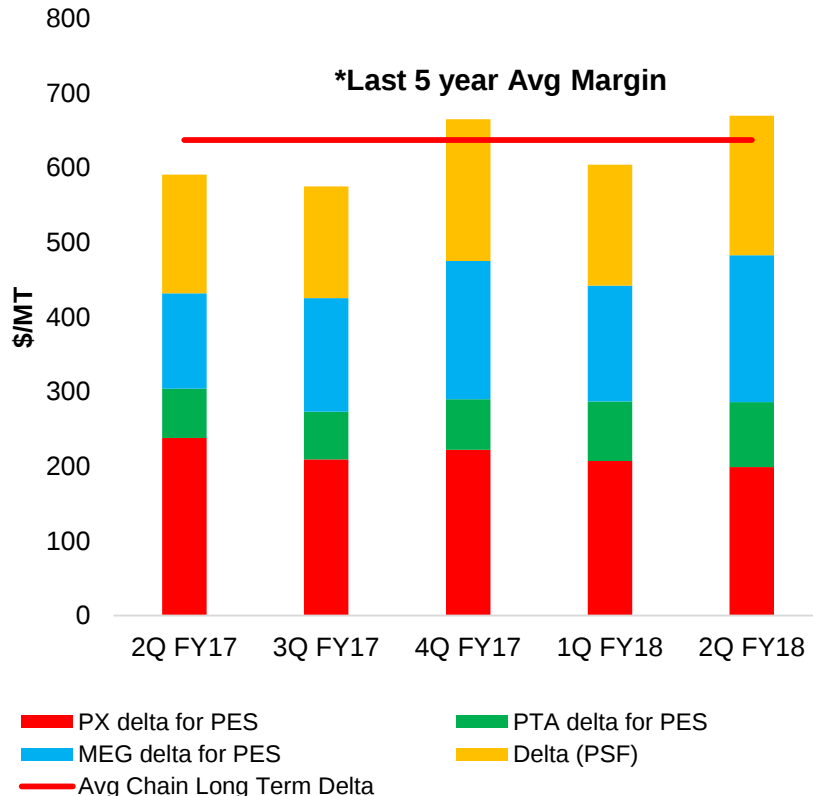
PET- PTA/MEG



- POY delta supported by 11% higher Q-o-Q price with steady demand trend ahead of festive and winter season
- PSF deltas increased sharply with Chinese waste ban driving staple fiber prices up in Asia

Firm Integrated Chain Margins

Integrated Polyester Margin



- Polyester chain witnessed robust price sentiments backed by firm energy market
- Low polyester inventory and firm downstream demand aided high polyester operating rates
- PX market remained stable on account of balanced fundamentals and consecutive ACP settlements
- PTA and MEG market strengthened, backed by tight supplies and firm downstream demand
- Cotton prices marginally lower – still significantly higher than polyester

High polyester operations continued to boost polyester chain margins

*Long Term delta excludes abnormal high values

Polyester Chain - Operational Highlights

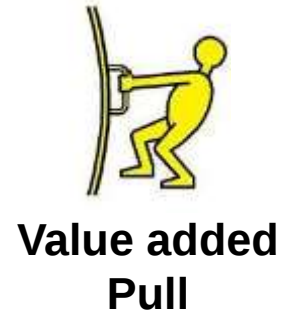
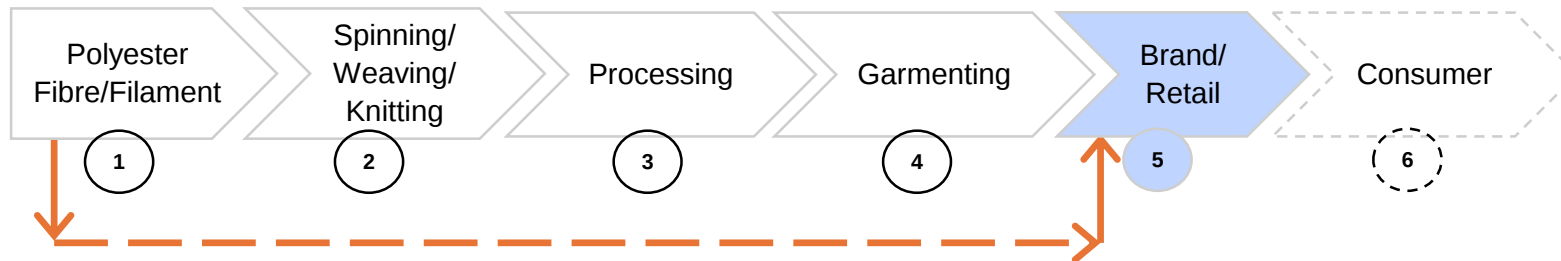
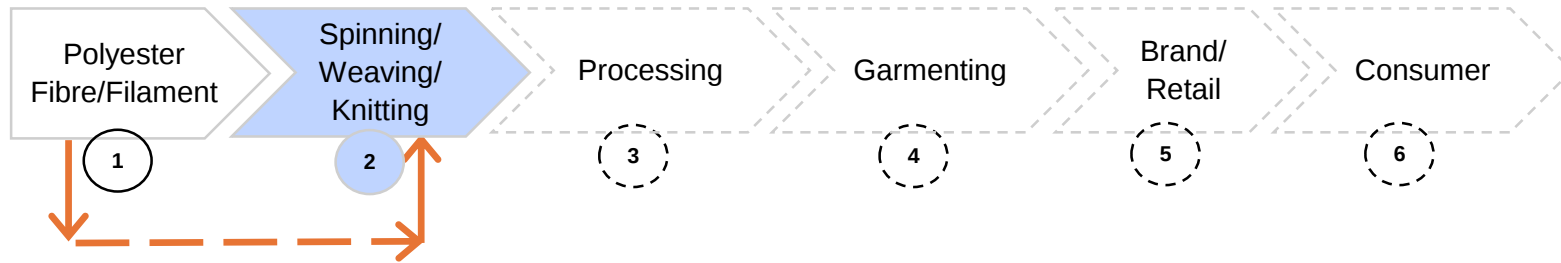
Production (KT)	2Q FY17	1Q FY18	2Q FY18
PX	535	899	918
PTA	1032	1029	1094
MEG	187	163	216
TOTAL	1754	2091	2228

Production (KT)	2Q FY17	1Q FY18	2Q FY18
POY	195	204	209
PSF	163	161	161
PET	235	224	230
TOTAL	593	588	600

- Intermediates production higher with start up of new PX and MEG plant at Jamnagar
- 750 KTA MEG plant started and under stabilization
- Polyester production largely stable amidst steady operations
- Created new customer brand RElan, to be positioned as a partner for global apparel/ fashion brand

Full integration with startup of new PX and MEG to enhance profitability

Reliance Paradigm shift – Value Branding



R | Elan™



Moving from “Inside out” to an “Outside in” strategy

- Polyester operating rates likely to remain high amidst low inventory and firm demand
- Post stabilization of GST implementation phase, demand likely to improve
 - Demand to pick up with the onset of festive season and winter
- Disruption in PET operations in Middle East, Europe and Americas likely to be favourable for PET markets
- Robust downstream polyester demand to support fiber intermediates markets
- PX markets to strengthen with likely restart of PTA plants in China
- MEG supplies to remain tight and bullish speculative sentiments to support markets

Oil and Gas – Exploration and Production



Domestic E&P - Production Update

2Q FY18 (JV Production)	KGD6	Panna Mukta	CBM
Gas Production (Bcf)	17.72	17.0	1.63
Oil Production (mmbbl)	0.18	1.4	-
Condensate Production (mmbbl)	0.01	-	-
Gas realization (\$/mmbtu)	2.48 (GCV)	5.73 (NCV)	4.5(GCV)
Oil realization (\$/bbl)	40.9	48.8	-

Note: RIL share of total domestic production at 20.6 BCFe

KGD6

- Average production of gas at 5.4 MMSCMD and oil and condensate at 2,073 BOPD
- 8 wells in D1D3 and 3 wells in MA under production
- Efforts focused on sustaining well life and optimizing recovery in the fields which are currently facing natural decline

Panna Mukta

- Lower production due to natural decline and temporary shut in of wells with integrity issues

CBM

- The current production rate is 0.68 MMSCMD, gradual ramp up in production progressing

R-Series development

- Awards for long-leads have commenced. Bid evaluation and negotiations for various other long lead items is currently in advanced stages

MJ and Satellite Cluster

- MJ: FDP to be submitted in 2H FY18
- Satellite Cluster: To enhance economic viability, integrated development of Satellite and Other Satellite fields has been envisaged. FDPs for both fields to be submitted in 2H FY18

CBM Pricing & Production

- Term price bidding for a Gas Sale and Purchase Agreement (GSPA) till March 2021 - Bidding Concluded. RIL emerged as highest bidder
- Discovery price will be revised monthly based on average Brent Oil Price of previous 3 months. Expected price for Oct'17 is \$ 5.515 / mmbtu
- Produced 46.1 MMSCM of Gas in 2Q FY18

Others

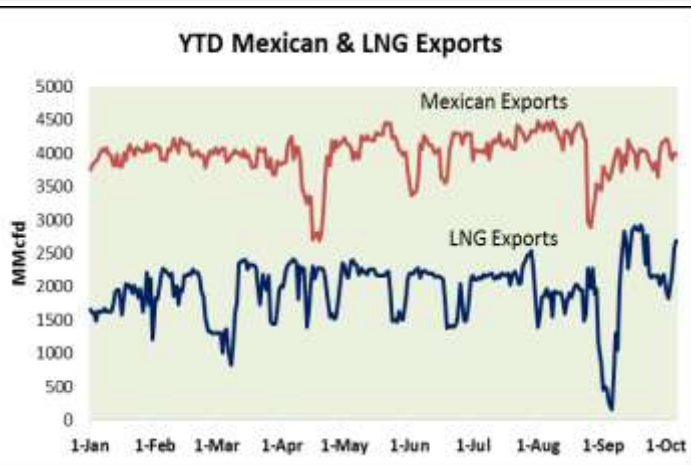
- Relinquishment of Myanmar Block – M17 & M18 on completion of Study / Technical evaluation assessment period

Oil & Gas: Shale Gas Business



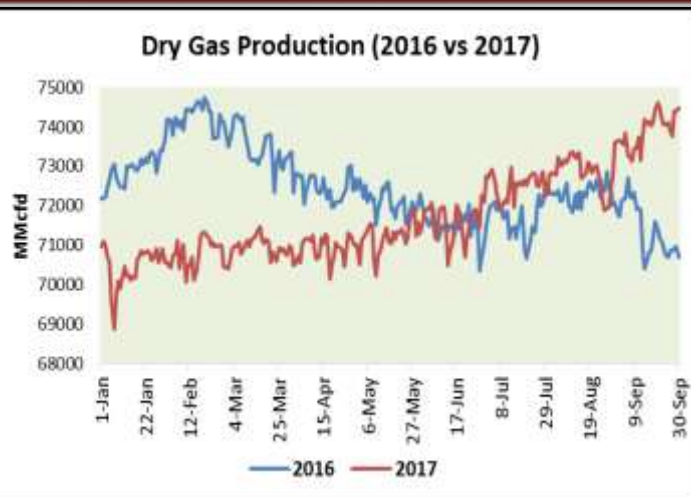
Price Environment: Natural Gas

Natural Gas Export Trends



- Underlying supply/demand tightness kept HH prices at \$3.00 levels despite milder summer
 - 2Q FY18 average HH Gas prices ~6.0% lower Q-o-Q and 7% higher Y-o-Y
 - Infrastructure delays widened Marcellus differentials Q-o-Q
- Higher exports of LNG and gas to Mexico supported demand
 - Mexican exports steady Q-o-Q, to increase further as infrastructure comes online on Mexican side
 - LNG exports reached record high of 2.9 Bcf/d in 2Q FY18, with commissioning of Cheniere's 4th Train
- US dry gas production on an increasing trend since beginning of 2Q FY18 and is higher on Y-o-Y basis
 - Lower production in the beginning of summer and stronger demand led to drawdown in inventory to levels below 5 years average
 - Winter intensity to influence prices in near-term

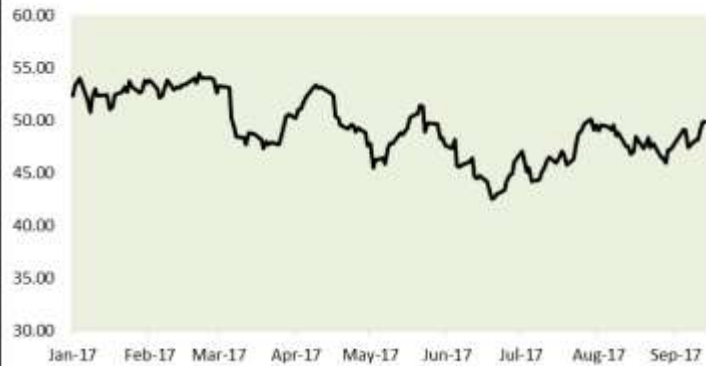
NG Production Trends and Strip Prices



Price Environment : WTI and NGL

WTI Price Trend

2017 WTI Price Movement



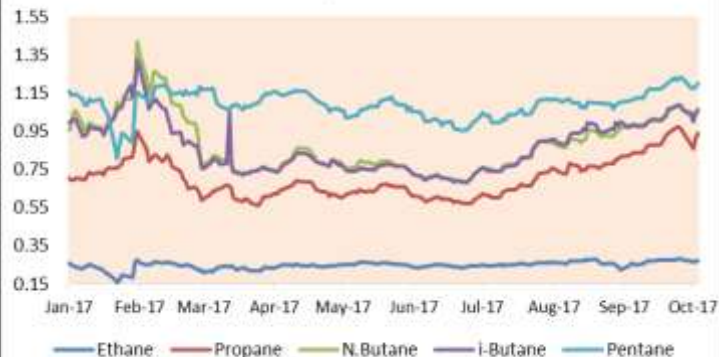
Source : EIA

WTI:

- Oil prices remained steady Q-o-Q, WTI average ~48.2/Bbl
 - US oil production increased ~115Kbpd Q-o-Q
 - US oil rig deployment slowing down - count remains in the range of 750 – 760
- US production continue to rise, driven by Permian
- Stronger economic growth worldwide offers potential for tight market conditions if OPEC/non-OPEC production cuts continue for another nine months

NGL Component Prices

NGL Purity Product Prices



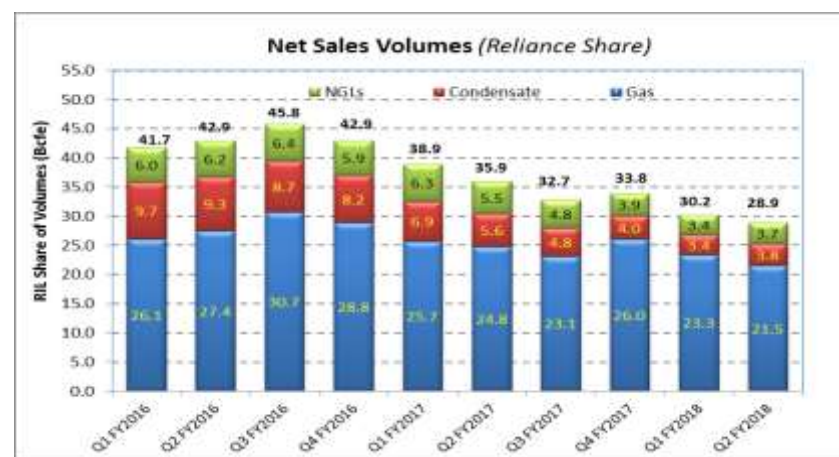
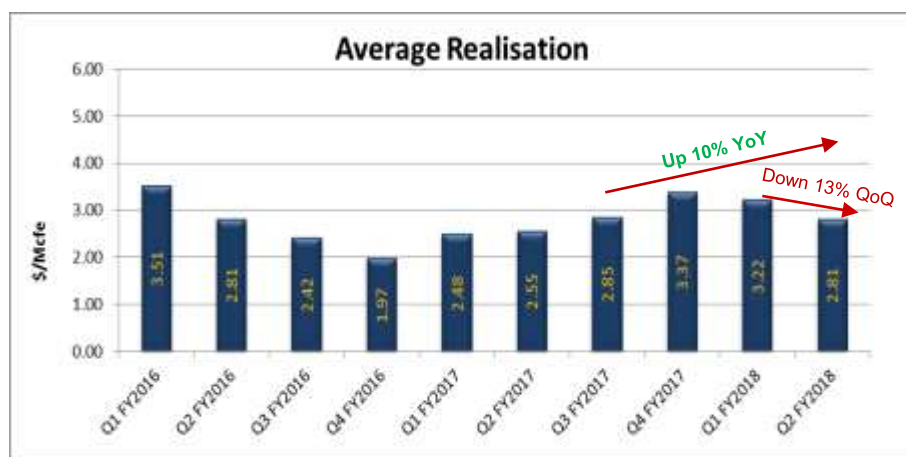
Source : OPIS

NGL:

- NGL realization up 15% Q-o-Q at \$23.5/Bbl in 2QFY18, led by strong Propane prices
- Increased Ethane and Propane exports and new crackers coming on-stream to improve demand/pricing outlook
- Propane stocks ~78.0 MMBbl, 7% lower than 5 Year average. In 2QFY18, Propane prices have increased sharply to 76% WTI from 55% WTI

Business Performance Highlights

	2Q FY18	1Q FY18	2Q FY17	% Chg vs. 2Q FY17	1H FY18	1H FY17	% Chg vs. 1H FY17
Production (Bcfe)	33.5	34.7	41.4	-19%	68.2	85.9	-21%
Revenues (\$ MM)	80	94	89	-10%	174	182	-4%
EBITDA* (\$ MM)	13	24	23	-43%	37	63	-41%



- Differentials in Marcellus JVs deteriorated substantially; HH also lower by 6%
 - Blended realization lower by 13% Q-o-Q but 10% higher Y-o-Y
- Sequentially lower volumes due to natural decline and temporary shut-in of wells
- Drilling and completion activities continued in Pioneer JV
 - High intensity completion, longer lateral and wider spacing being tested. Initial results encouraging
- D&C activity restricted to selected pads; Focus on preserving value and optionality

Sale of Carrizo JV Assets in Marcellus

- Reliance signed agreements to divest all of its interest in the upstream shale gas assets operated by Carrizo
- Opportunistic sale of developed upstream Marcellus assets
 - Assets located in north-eastern and central Pennsylvania
- Assets sold to BKV Chelsea, LLC, an affiliate of Kalnin Ventures LLC, for consideration of \$126 million, subject to customary closing terms and conditions
 - Provision to receive additional contingent payments of up to \$11.25 Mn in aggregate, based on natural gas prices exceeding certain thresholds over the next three years
- Transaction is expected to close by the end of 3Q FY18

Reliance Retail



Reliance Retail is India's Largest Retailer



Reach

>4 million

Customers served every week



Scale

3,679

Retail stores



>120 million

Footfalls received by Reliance
Fresh and Smart Stores



>7,50,000

Distribution partners for
communication devices and
connectivity

750

Cities

472

Petro outlets (COCO)

>300 tonnes

Tea sold per month

> 7 million units

of biscuits sold every month

30 million

Loyalty customer base

14.20 m sqft

Retail Space

>83,000

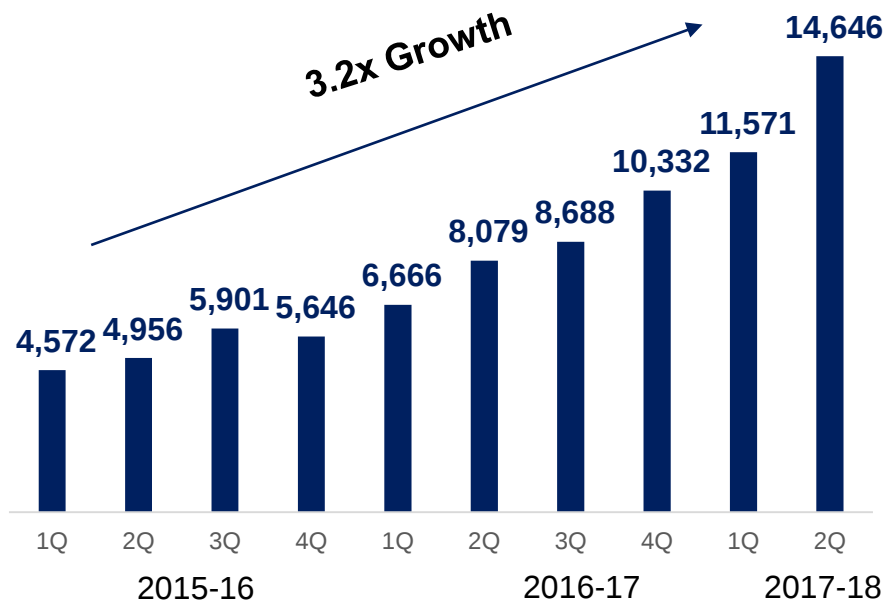
People employed

>12,000

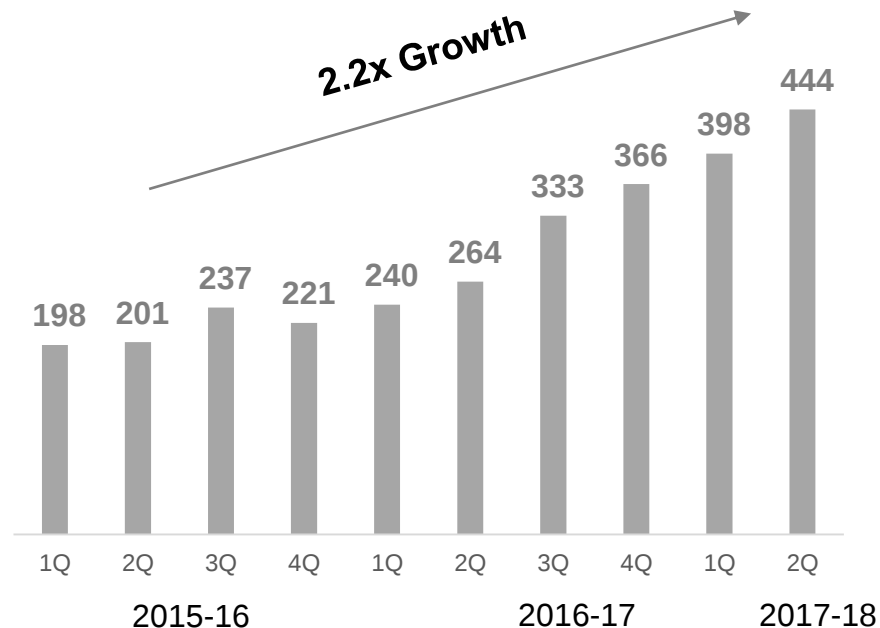
Pin codes covered by AJIO

Strong and Sustainable Growth

Reliance Retail Revenue (₹ Crore)



Reliance Retail EBITDA (₹ Crore)



Accelerating growth trajectory

Key Performance Highlights

Performance

2Q FY17

1Q FY18

2Q FY18

₹ 8,079 Cr.
Revenue

₹ 11,571 Cr.
Revenue

₹ 14,646 Cr.
Revenue

₹ 162 Cr.
EBIT

₹ 292 Cr.
EBIT

₹ 334 Cr.
EBIT

2.0%
EBIT Margin

2.5%
EBIT Margin

2.3%
EBIT Margin

3,442
Stores

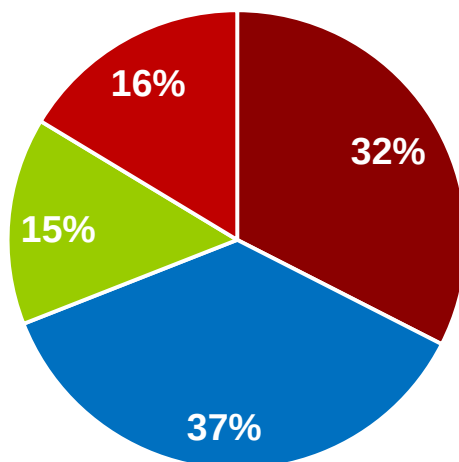
3,634
Stores

3,679
Stores

- Strong growth across all consumption baskets
 - Revenue up 26.6% Q-o-Q, 81.3% Y-o-Y
 - PBDIT ₹ 444 crore up 11.6% Q-o-Q, 68.2% Y-o-Y
 - EBIT up 14.4% Q-o-Q, 106.2% Y-o-Y
- Net additions of 45 stores during the quarter
 - Rapid expansion for Trends; presence now extends to over 200 cities
- Launched pilot of improved Reliance Smart store concept
- Over 2.8 million devices sold through the distribution network
- Reliance Jewels won “Innovative Jewellery of the Year” award at Gemsfield Retail Jewellery Award 2017

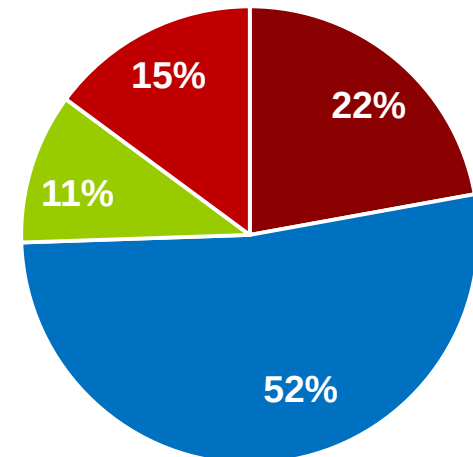
Contribution from Consumption Baskets

Turnover Mix – 2Q FY17



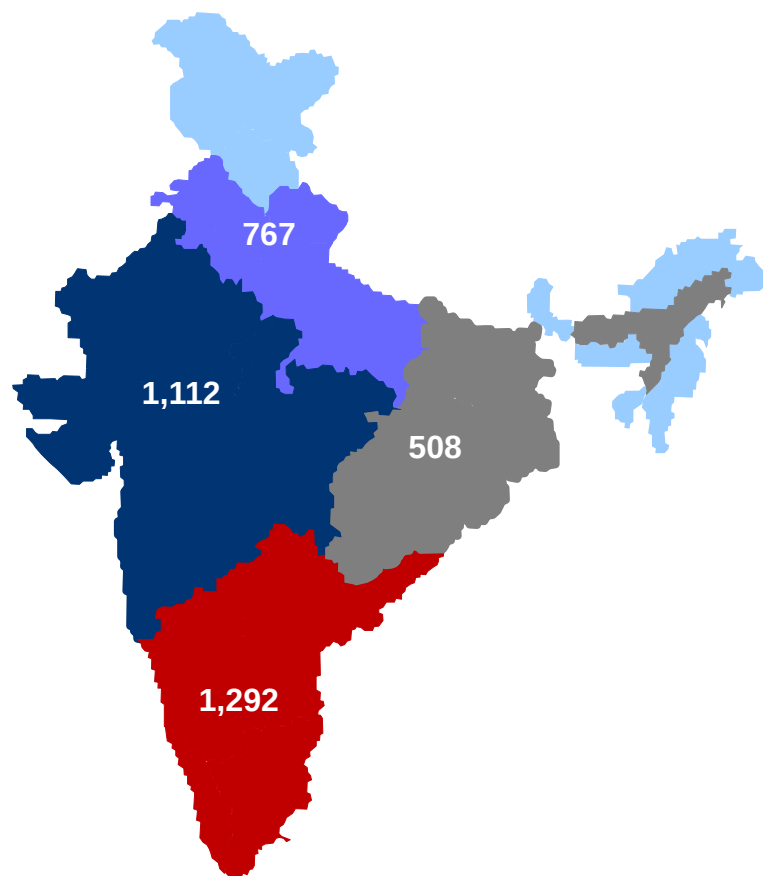
- Grocery
- Consumer Electronics & Connectivity
- Fashion & Lifestyle
- Petro Retail

Turnover Mix – 2Q FY18



Reliance Retail Store Network

Zone wise store count as on Sep 30th, 2017



Reliance Retail Store Count by Region

	Mar 31, 2017	Sep 30, 2017
North	763	767
South	1,268	1,292
East	496	508
West	1,089	1,112
Total	3,616	3,679

3,679 Retail Stores Pan-India with 14.20 million sqft of retail space

Note: Store count of 3,679 retail stores in above table excludes 472 owned Petro Retail fuel outlets

Performance Highlights

- Trends continues to find strong traction with improved stores experience
 - Tier 2 and Tier 3 cities contribute 2/3rd of 2Q revenues
 - Launched cosmetics category in 10 stores with several national and international brands
- Project Eve and Trends Women rolled out in more cities;
 - Overwhelming response for both concepts with strong acceptability of own brands
- Ajoio enhances last mile delivery to >12,000 pin codes;
 - Initiates pilot for doorstep QC, faster pick up, exchange and doorstep refund
- Reliance Retail acquired 40% stake in Genesis Luxury
 - Operating rich portfolio of brands such as Armani, Hugo Boss, Coach, Michael Kors and many others



Performance Highlights

- Robust growth across Reliance Digital and Jio stores with continued traction from Tier 2 cities
 - Temporary dip in the industry post GST implementation
 - Efficient inventory planning helped counter GST headwinds
- Reliance Digital has the most comprehensive range of TVs across all price points
 - Entered into long-term exclusive partnership with Sharp for High-End TVs further solidifying product proposition
- Strengthening core value service proposition
 - One day delivery and installation within 48 hours extended to 70 cities
 - ResQ continues to improve service levels
- Reliance Digital won 'CDIT & Telecommunications Retailer of the Year' in India Retail Awards 2017



Performance Highlights

- Launched pilot of improved Reliance Smart concept:
 - Unmatched assortment, localization, premiumisation
 - Step-up in store experience
- Launched new products covering personal care and staples, further strengthening own brand portfolio
- Offered special promotions with visa and Samsung pay to encourage non-cash mode of payments
 - Fresh and Smart are increasingly becoming a platform for card and wallet companies to incentivize consumers
- Robust growth for Reliance Market backed by high double digit growth from Kirana & HORECA partners
 - Categories like staples, dairy & frozen, fruits & veggies grew faster
- Reliance Smart was awarded with 'Hypermarket of the Year' at Annapoorna Food Retail Awards 2017



Petro Retail – Owned Outlets

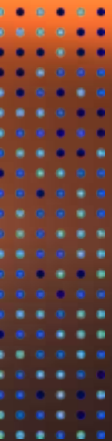
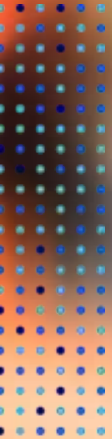
- 472 owned retail outlets operational as of 30th Sep, 2017
 - Recommissioned 7 outlets during 2Q FY18
- Trans-connect loyalty program for fleet owners continues to grow its membership base.
- Digital payment integration through JIO Money across fuel outlets facilitating seamless customer experience
- Petro Marketing training won two awards at the CLO Awards organized and evaluated by TISS and Leap Vault



Reliance Jio Infocomm Limited

Q2 - FY 2017-18

13-October-2017



- **Gross revenue of ₹ 7,213 crore**
- **Net revenue of ₹ 6,147 crore**
- **EBITDA of ₹ 1,443 crore**
- **EBIT of ₹ 260 crore**

EBITDA and EBIT positive in the very first quarter

- **138.6 million customers (end of quarter)**
- **378 crore GB data consumption in the quarter**
- **267 crore minutes of VOLTE voice per day**
- **178 crore hours per month of video consumption**

World's largest mobile data network

- **Data consumption at 10GB per month**
- **626 minutes of VOLTE voice per month**
- **14 hours of video consumption per month**
- **ARPU of ₹ 156 per month**

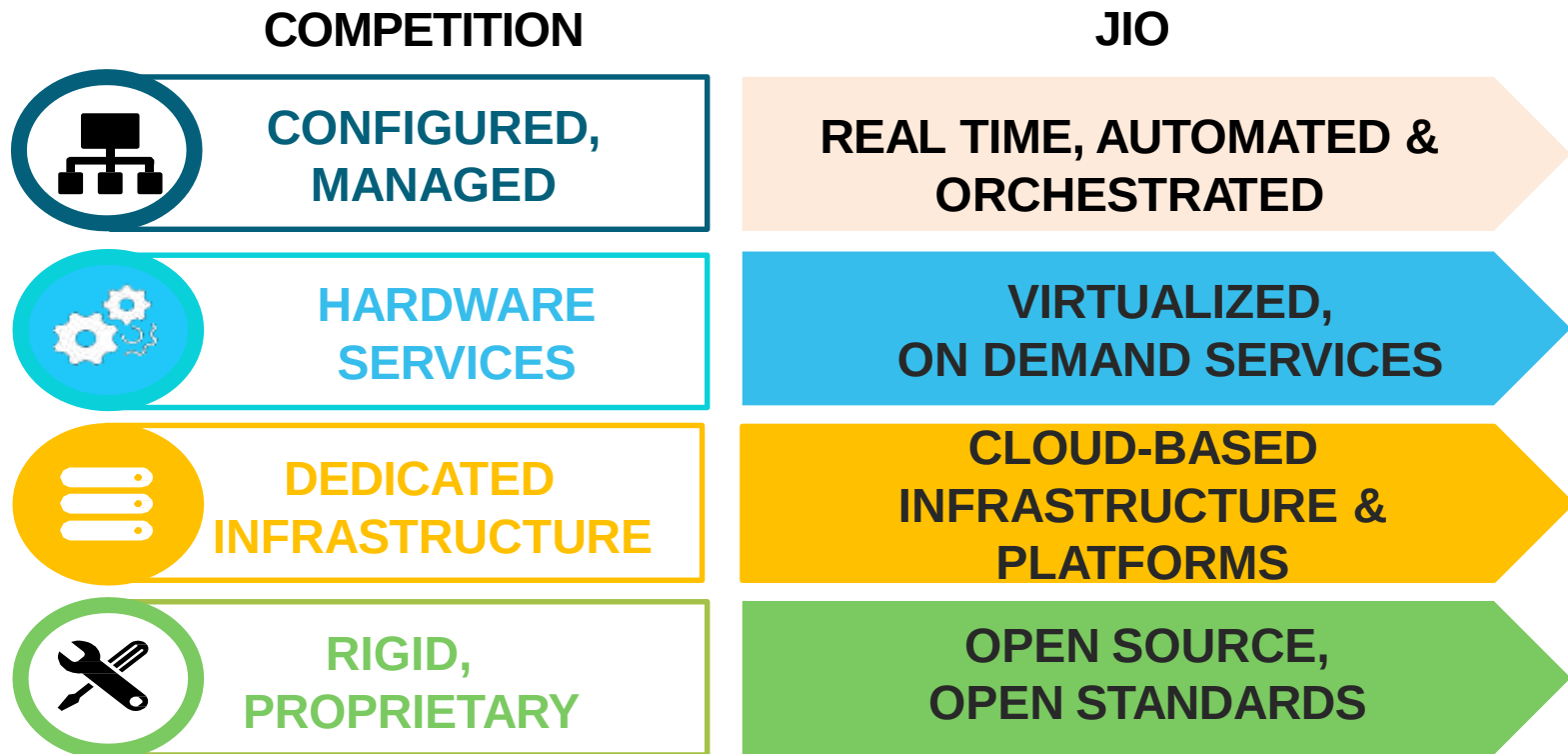
Fastest free to paid conversion in history

Pre Jio	Post Jio
Voice led ARPU	Voice as a free application
Data starved	Data abundance
Expensive & Complex tariffs	Affordable & Simple tariffs
India at 155 th	India 1 st in mobile data
Voice and SMS	Jio Digital Life

Data Capacity drives Growth

- **Lowest call drop rate at $<0.4\%$**
- **Fastest network speed (DL - 18 Mbps as per TRAI)**
- **100% network availability**

Most reliable network for voice and data



Scalable and lowest cost GB

- **Affordable JioPhone for every Indian**
- **Free voice for all Indians**
- **Unlimited data access at affordable tariffs**
- **Premium content and applications offered at no cost**

Empowering every Indian – Digital Democracy

We are only getting started....



World's fastest growing technology company

- **ARPU per SIM understates ARPU per customer**
- **Voice arbitrage was primary driver for multiple SIM holdings**
- **Shift to single SIM**

Particulars	UOM	Smartphone Users	Feature Phone users
Devices in circulation	Mn	263	496
Average SIM / User		1.19	1.28
ARPU per VLR SIM	Rs	277	134
Effective ARPU per user	Rs	329	172

Source: TRAI, CMR data, Company estimates, as of December 2016

Particulars	Mobile Users
Subscribers in 2009	392 mn
ARPU in 2009	Rs 179
Equivalent ARPU in 2017 (adjusted for nominal per capita income)	Rs 530

Source: TRAI, RBI , World Bank

Ability to pay: 400mn > Rs 500 per month and 400mn > Rs 300 per month

- **Wireless data connectivity**
- **FTTH and Enterprise**
- **Jio advertisement platform**
- **Customer engagement platform**
- **Content and Media Services**
- **IOT and Digital Services**
- **Payment and Loyalty**

Network and Organization built to scale

We are only getting started....



Huge untapped market potential





Thank You