

Reliance Infrastructure Ltd.

Investor Presentation



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1 Family > RELIANCE

YOUNG GROUP - 9 YEAR OLD

ASSETS CREATED ORGANICALLY IN INDIA

8	Million Shareholders; Amongst largest in the world
250	Million Customers; 1 out of 5 Indians Every Single Day
100,000	Young, trained & motivated manpower
260,000	Assets worth more than ₹ 2.6 Lakh crore
93,500	Net Worth more than ₹ 93,500 crore
57,000	Revenues of over ₹ 57,000 crore
20,000	Operating EBITDA of ~₹ 20,000 crore

Numbers as of FY15

Reliance Group – Key Businesses

RELIANCE

Financial Services

- Asset Management
- Life Insurance
- General Insurance
- Commercial Finance
- Broking & Distribution

Infrastructure

Power Sector
- Distribution
- Generation
- Transmission

Urban Transport
- Road
- Metro
- Airports

Cement

EPC Services

Defence

Power

Power Generation

Thermal
- Coal
- Gas

Renewable
- Hydro
- Solar
- Wind

Resources

Coal Mining
- India
- Indonesia

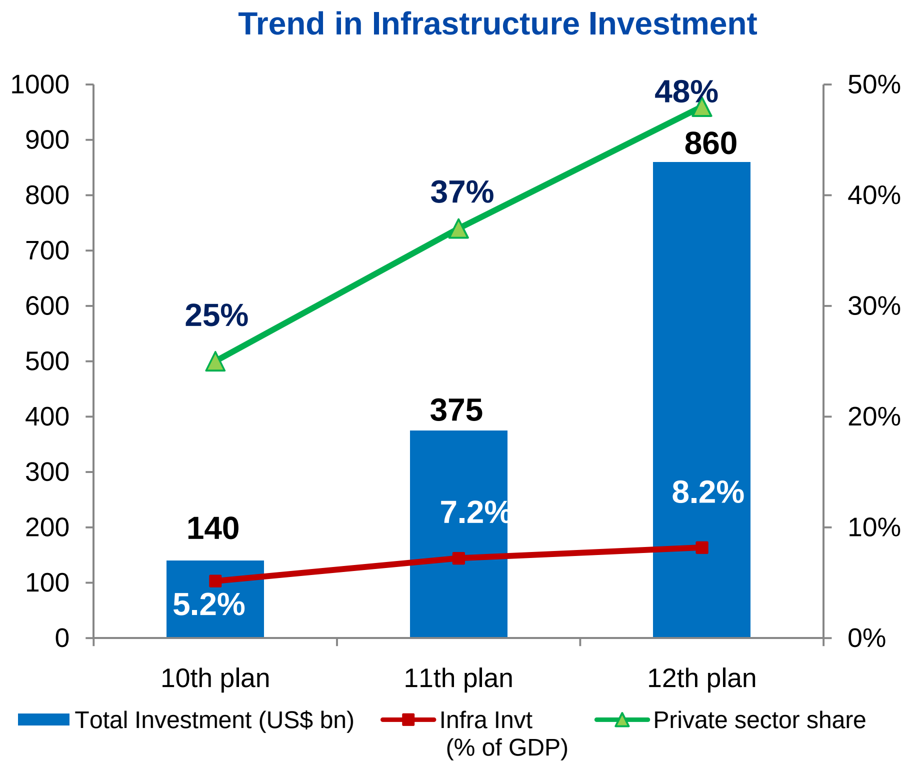
Coal Bed methane

Communication

- Wireless
- Enterprise
- Telecom Infrastructure
- Direct to Home
- Worlds largest submarine cable network

Reliance has played a key role in nation building with strong presence in core sectors

Infrastructure in India – US$ 1 Trillion Opportunity

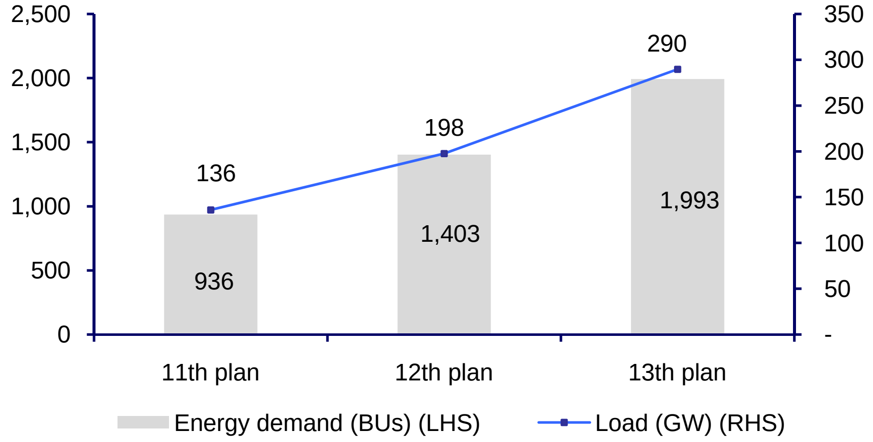


- Infrastructure development set to accelerate with Government impetus to revive economy
- Strong private participation along with Government initiatives to boost infrastructure development
- ~75% of investments expected in Power, Roads, Telecom and Railways
- ~50% of investments expected from private sector
- Investments during 2007-12 expected to be 2.3x in next 5 years

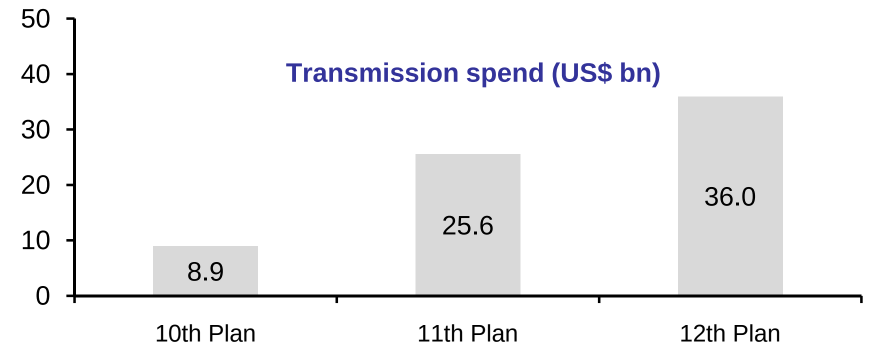
RInfra is present in sectors to have ~60% of infra spend during 2012-17

Power Sector – Priority Sector for the Government

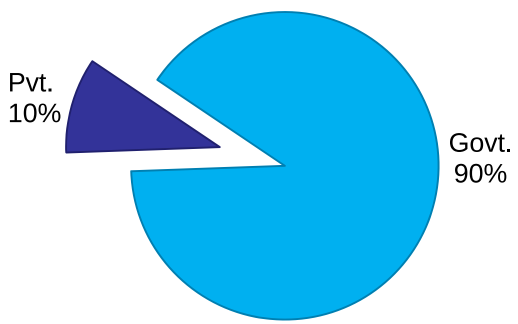
Strong demand push for 24x7 uninterrupted power supply



Huge investments planned in power transmission sector



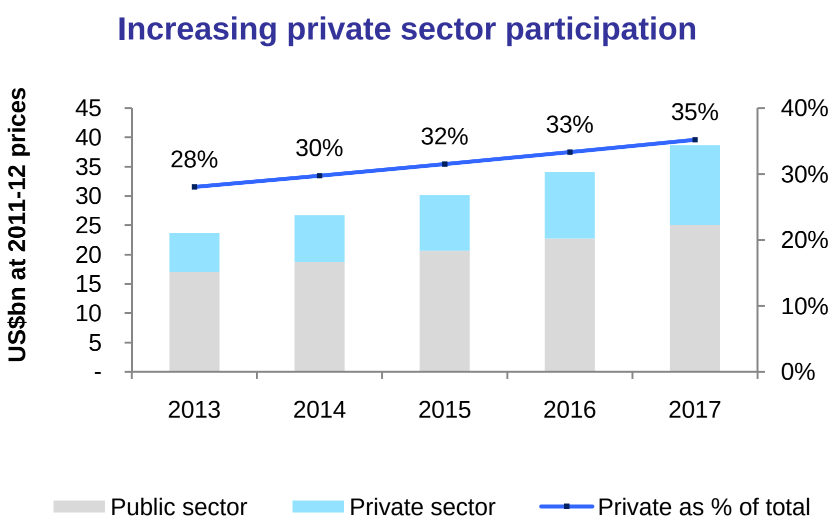
Distribution - Total pie of 900 bn units growing @ 5%



- Installed power capacity at ~270 GW with >108 GW capacity addition in last 10 years
- ₹ 15,000 bn investments planned to achieve 88.5 GW capacity additions during 2012-17
- 175 GW of renewable capacity addition expected
- 55% of investments expected from private sector
- Govt. initiatives wrt Coal block auction and gas pooling framework should revive the sector

RInfra is one of the largest integrated private sector power companies

Road Sector – Key Driver for Capex Revival Cycle



Source: NHAI, Interim Report of the High Level Committee, Financing of Infrastructure (Aug 2012)

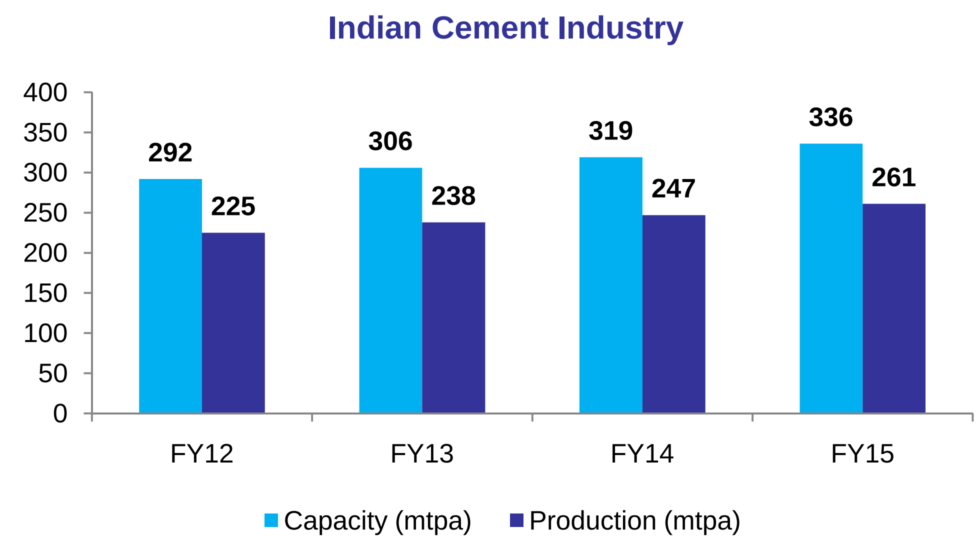
- Road to be a key beneficiary of Government focus on reviving investment activity
- Government has planned ₹ 9,100 bn investment in Road sector during 2012-17
- NHAI plans to award 10,000 kms of road projects over next 2 years
- ~32% of the total planned outlay in the sector is expected from the private players

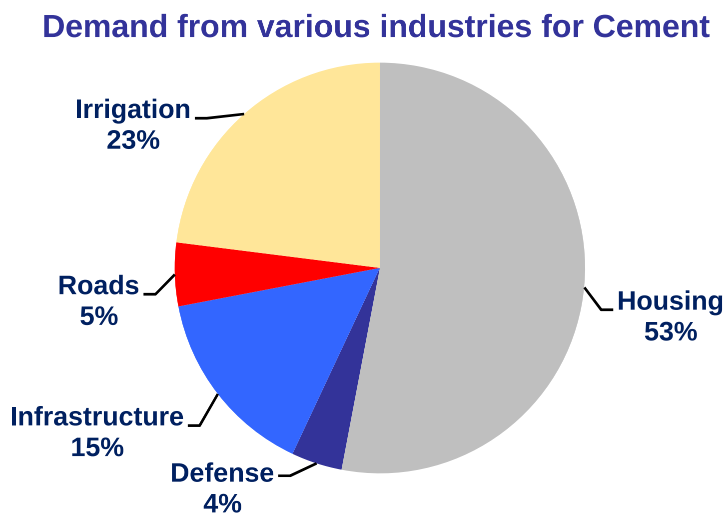
Govt. allocated ₹ 280 bn to NHAI via increased in cess on petrol & diesel and premium collection

Ministry of Finance is targeting issuing tax free bonds to NHAI worth ~₹ 300 bn for road sector

RInfra is amongst the top 3 private players in the Road sector

Cement – Key Input for Infrastructure Sector





- Infrastructure and housing sectors will be the immediate drivers leading to cement demand
- Concreting of roads will be a mega opportunity for the cement sector
- Government endeavour of "Housing for all by 2022" should be another booster for the sector
- Setting up Dedicated Freight Corridor, Smart Cities should also lead to cement demand

RInfra to be a noteworthy player over the next few years

EPC – Growth Driver for Infrastructure Development

- Fund allocation during 2012-17 in following sectors will create opportunities for private players:
  - Power : ₹ 15,000 bn
  - Roads : ₹ 9,100 bn
  - Rail : ₹ 6,400 bn
  - Ports : ₹ 2,000 bn
- Almost 40% - 50% of investments could be through EPC route
- Development of 15,000 km gas pipeline through EPC route
- India is largest PPP market in the world with over 900 projects in various stages of development

RInfra to benefit due to it’s leadership position in EPC

Smart Cities – A Significant Growth Opportunity

- Govt. shortlisted 98 smart cities for urban eco-system development
- Proposed 'Smart Cities' will be satellite towns of larger cities & modernization of existing mid-sized cities
- Allocation of funds for smart cities development over 5 years
  - ₹ 48,000 crore by Central Govt.
  - ₹ 48,000 crore likewise by State Govt. & Urban local bodies
- Execution of projects will be through PPP, subsidiaries, JV's, turnkey contracts etc.

Sectors that will be key beneficiaries

Power incl. Renewables	Telecom
Road	Water
Railways (MRTS)	Waste Management
Cement	Health & Education
EPC activities	IT connectivity & Digitalization

RInfra will capitalize on opportunities available in smart cities

Recent Govt. Initiatives for Infrastructure Sector

Benefits to RInfra

Initiative	Benefits to RInfra
Availability of long term funding for infrastructure sector Flexible long term 5/25 loan structures (25 year loan with 5 year reset)	▪ Improve credit availability & maturity ▪ Will lower cost of capital
10 year tax holiday extended for another 3 years Conducive tax regime for Infrastructure Investment Trusts	▪ Will bring new investment ▪ Will improve project NPV
Land Acquisition bill to be amended 3P India formed for developing sophisticated contracts and dispute redressal for PPP projects	▪ Facilitate speedy execution ▪ Faster dispute redressal

Key Investment Highlights

- Leadership position across all businesses
- Well diversified portfolio with stable cash flows
- Proven track record of completing large infrastructure projects
- Capex cycle complete; Cash inflow started
- Strong balance sheet with Networth of ₹ 270 bn
- Forayed into high growth defence business
- Experienced management team

Well placed to capitalize on the growth opportunities

Business Overview

Diversified Portfolio

POWER
- Generation
- Transmission
- Distribution

EPC
- Generation
- Transmission
- Roads

URBAN TRANSPORT
- Roads
- Metro Rail
- Airports

DEFENCE
- Make in India initiative

CEMENT
- 5.5 mtpa operational capacity

Presence across all key infrastructure sectors

Presence across Power Value Chain

Distribution

- Over 6.5 mn consumers
- Serving 2 out of 3 homes in Mumbai & Delhi

Generation*

- Operational Capacity : 6,885 MW
- Under Development : 10,000 MW
- Coal Reserves : 2.6 bn tonnes

* Includes Reliance Power Ltd (RPower)

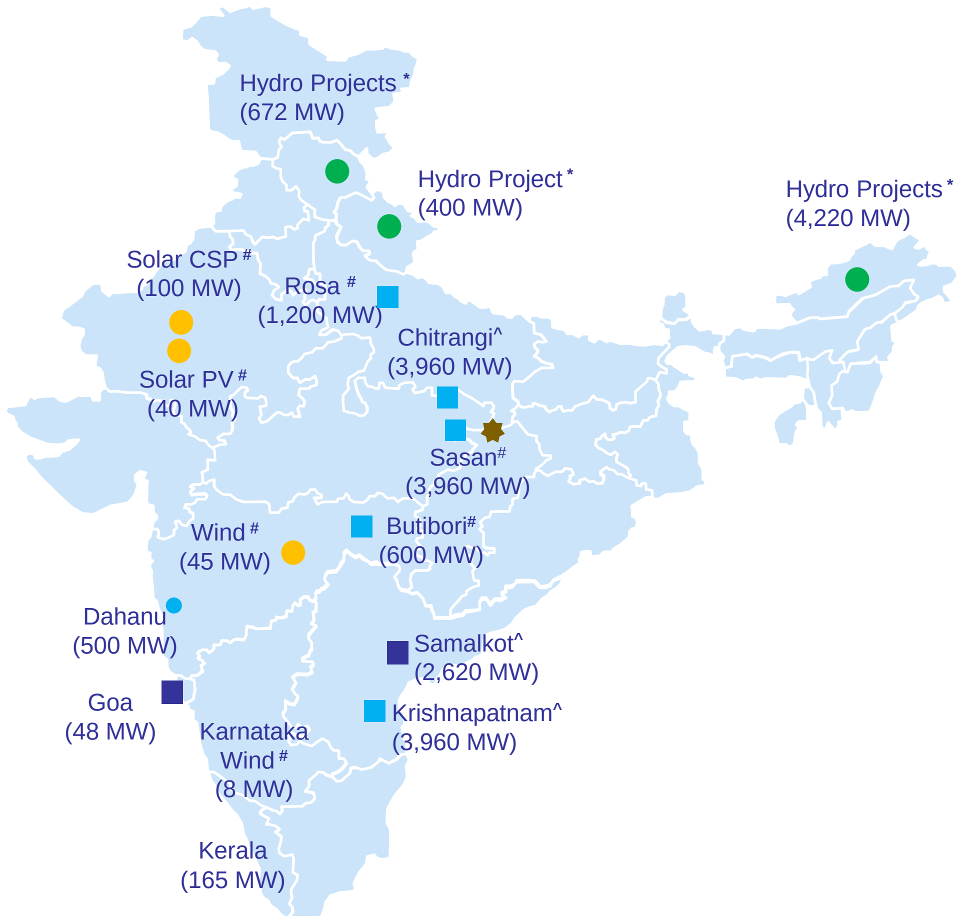
Transmission

- Own 4,000 circuit kms of operational lines
- Enable flow of 4,000 MW in western region

RInfra has 42.2% stake in RPower

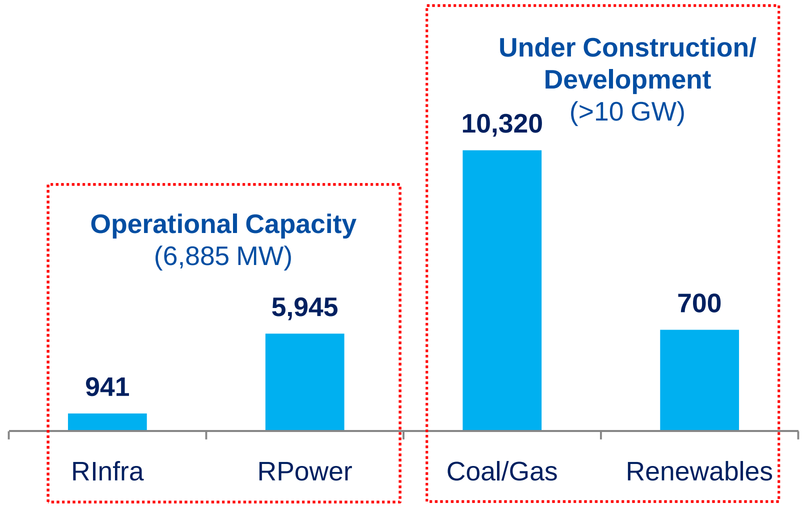
Leading integrated private sector power company in India

Power Generation



Coal   Gas   Renewable   Hydro   Coal Mines

Operating Projects; ^ Projects Under Construction; * Projects Under Development



- Dahanu Power Plant operated at 100% PLF for 9 years since inception
- RPower has well diversified portfolio by fuel type, offtake and location
- Largest integrated private sector power generation and coal resources in India
- RPower signed MOU with Govt.of Bangladesh to develop 3,000 MW LNG based power project

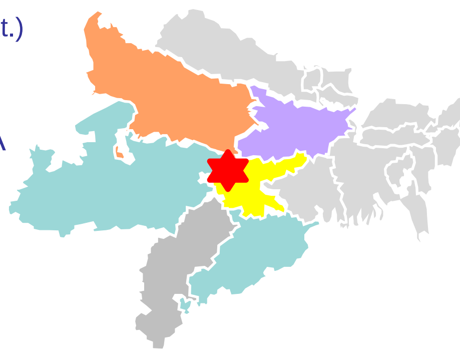
All future power generation will be through RPower

Coal Resource

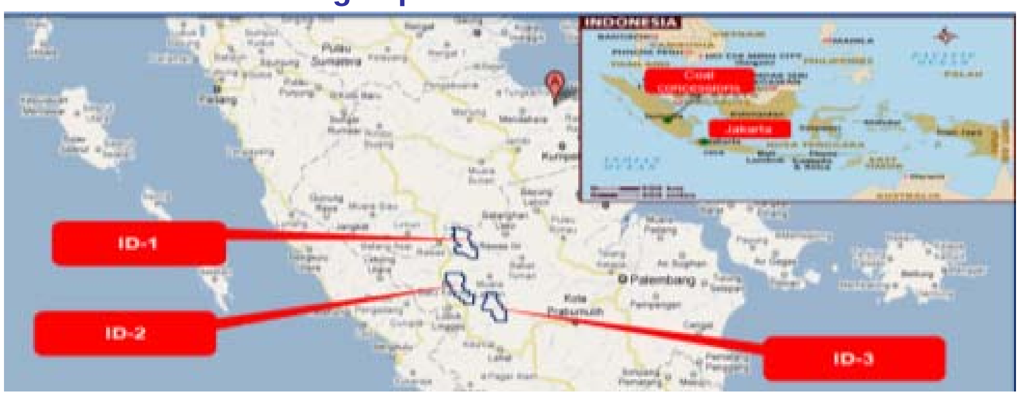
575 mn tonnes coal reserves in India with target production of ~20 MTPA

Sasan coal mines
(Moher, Moher Amlori Ext.)

Reserves: 575 MT
Production: 20 MTPA



Two billion tonnes coal resources in Indonesia with target production of 30 MTPA



Reliance Power Ltd

- Set to become ~50 million tonnes per annum (MTPA) coal resource company
  - Sasan coal mines : 25 MTPA
  - Indonesian mines : 30 MTPA
- Use of world class mining equipment

One of the largest portfolio of coal resources in the private sector

Power Distribution

- AT&C loss levels of ~24% in India
- 1% reduction in loss level can save ₹ 60 bn
- Identified 255 cities for private participation - Franchisee route
- Investment of ₹ 3,000 bn envisaged during 2012-17

Serving consumers in mega metros i.e. Mumbai & Delhi

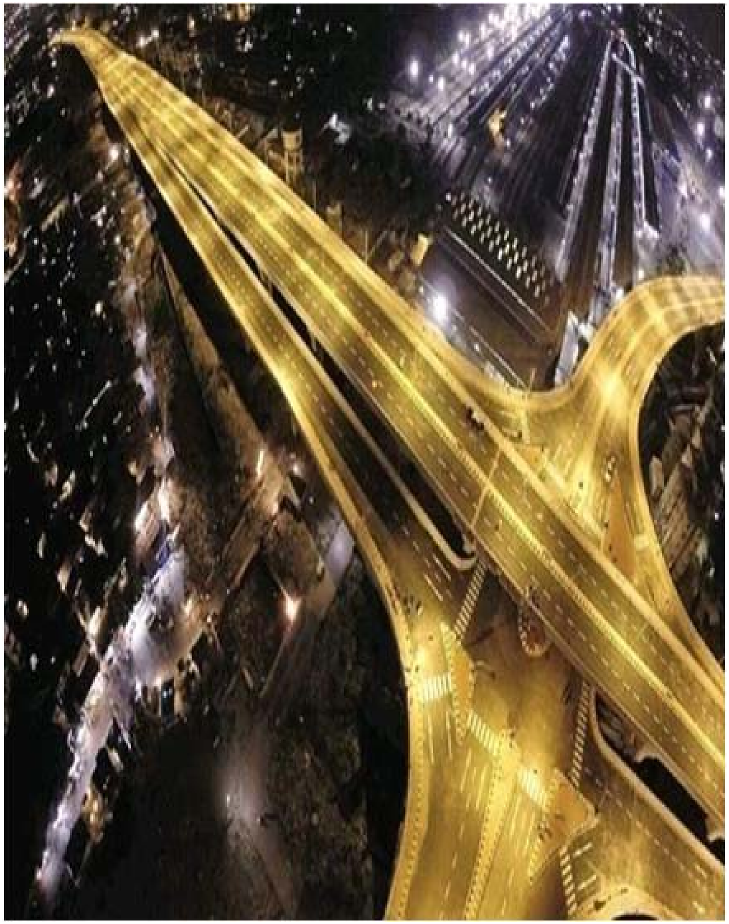
Serving over 6.5 million consumers

Distributing ~5,800 MW of power

Have 50% market share of total private sector distribution

Largest power distribution player in the private sector

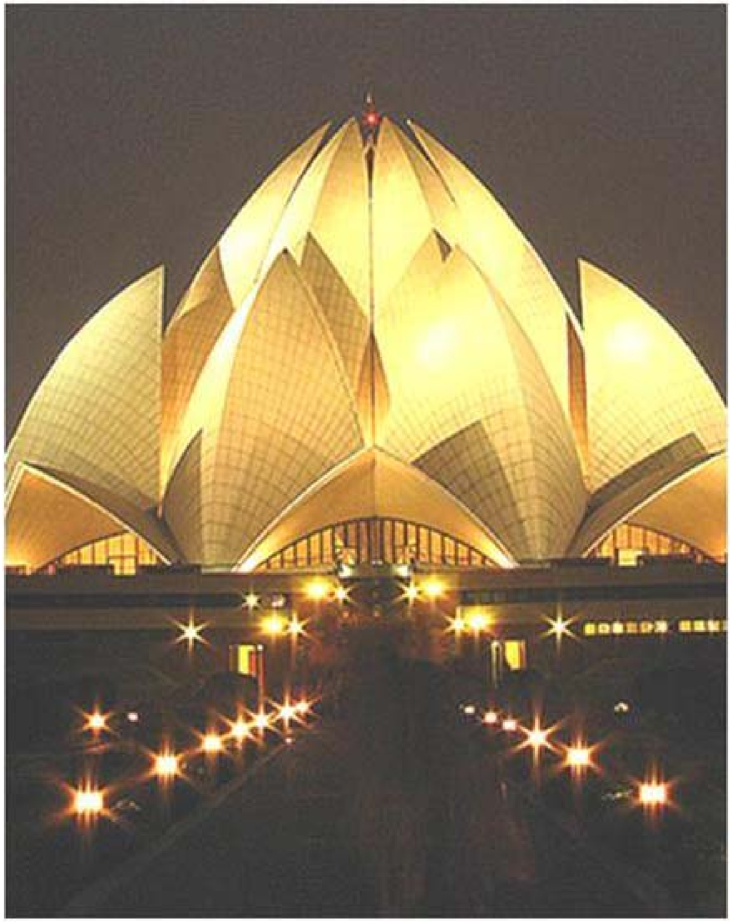
Mumbai Distribution



- Serving ~ 3.0 mn customers
- <10% loss levels versus India avg. of ~24%
- Reliability of 99.98% : Avg. interruption of <20 secs/day
- Only Indian utility with reliability focus at customer level
- Started recovery of arrears amounting to ₹ 55.5 bn & Cross Subsidy Surcharge wef Sept 2013
  - Already recovered ₹ 16.2 bn arrears till Q1FY16
- Competitive tariff facilitating reverse migration of consumers
- Sharing expertise by providing IT consulting & implementation to 6 SEB's

Amongst the most efficient power distribution utility in the country

Delhi Distribution



- Serving over 3.5 mn customers
- Loss levels reduced from 55% to sub 17%
- ~₹ 50 bn spend on network upgradation
- Provides 24x7 reliable and quality power
  - Outage reduced from 5 hrs/day to <3 min
- Significant reduction in consumer complaints
  - Network reliability improved by ~30%
- Regulator approved recovery of ~₹ 100 bn arrears including carrying cost
- Leveraging expertise via external consultancy to Nigeria, Ethiopia, Haryana Bijli Vitran Nigam, etc

Improvement in quality of power supply acknowledged by all

Transmission

- Operating / Developing 3 projects worth ₹ 46 bn in Western & Northern region
  - Parbati Koldam 400 kV project in Himachal Pradesh operational
  - 8 EHV sub-stations backed system with ~100% reliability in Mumbai Transmission
  - 8 out of 9 lines in WRSS project are revenue generating
- ~4,000 circuit kms of operational lines
- >4,000 MW transmission capacity in western region
- Deployed world class GIS Technology, 220 kV EHV substations & underground cable network in Mumbai

All projects to be operational within FY16

Roads Business

- Amongst the largest NHAI concessionaires
- 10 out of 11 projects are revenue operational – 11th project is expected be operational in FY16
- High traffic growth urban corridors eg. Delhi, Bangalore, Jaipur, Gurgaon, Agra, Pune, etc.
- Concession period ranges between 18 - 30 years
- All toll plazas are equipped with Electronic Toll Collection (ETC)

11 Projects I 7 States I 970 kms I ₹ 115 bn

Metro Rail Business

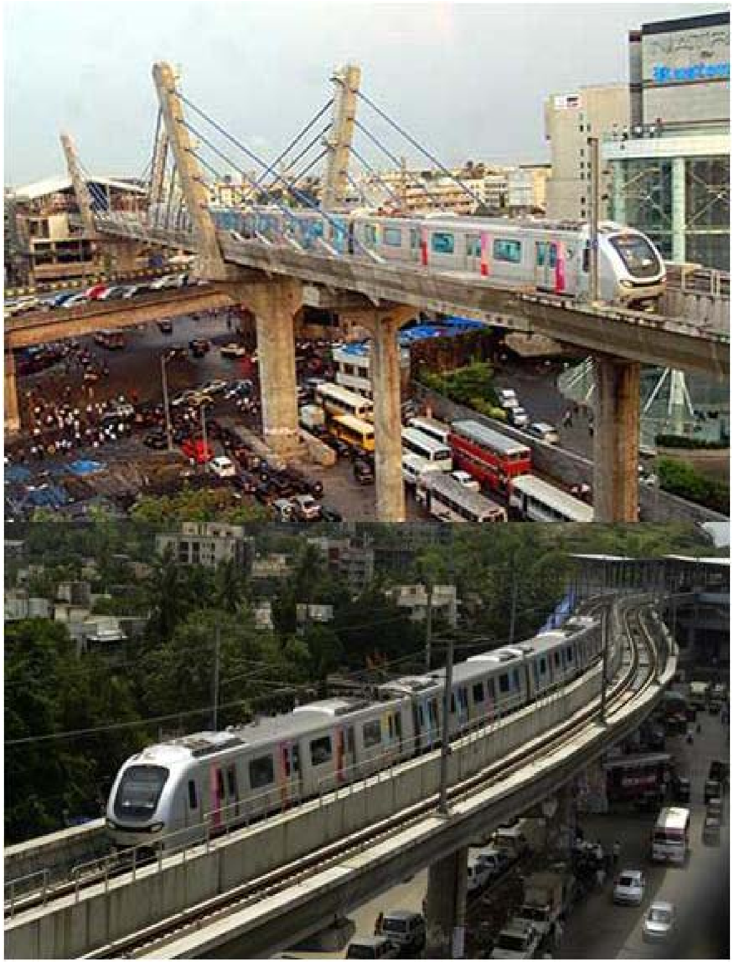
Project	Project Cost ₹ bn	Length (Kms)	COD	Concession Period*
Mumbai Metro	₹ 40.3	12	June 2014	35 years^
Delhi Airport Metro Express Link	₹ 28.9	23	Line handed over to DMRC wef July 1, 2013	

* Including construction period ^ Concession period extended by 755 days

- Successfully executed projects in Mumbai and Delhi in challenging environment
- First mover advantage and technical expertise will enable RInfra to bid for new projects
- Exploring opportunities through EPC, O&M contract or as a developer of metro rail

First private player to commission metro rail in the country

Mumbai Metro



- Long awaited East to West rail connectivity
  - Travel time reduced from 90 to 21 minutes
- Completed one year of commercial operations
  - Over 12 crore passengers served till date
  - 550,000 smart card holders – Loyal patronage
- Best in class service:
  - Service efficiency of 99.9%
  - Exclusive space for ladies in coaches
  - Station cleanliness rated at par with malls
  - Commuter engagement through social media, call center & CRM system
  - Flea market & retailer discount coupons

Safe, Fast, Comfortable, Convenient and Affordable mode of transport

Cement Business

Operational Project	Location	Capacity (mtpa)
Maihar	Madhya Pradesh	3.0
Kundangunj	Uttar Pradesh	2.0
Butibori	Maharashtra	0.5

- Operational cement capacity of 5.5 MTPA with presence across 6 states in India
- Best in class quality of cement in terms of strength and setting time
- Awarded Sial Ghogri coal mine thereby ensuring energy security
- First company in India to start online sale of cement

Achieved premium positioning & price leadership

EPC Business

- Amongst the largest EPC player in India with projects completed/undertaken in power generation, transmission and road sector
- Current order book comprises of 11 projects worth ₹ 42 bn as on June 30, 2015
- Consistently maintained EBITDA margin of 8% - 10% over the years
- Proven track record of executing large projects within cost & time
- Well prepared for fast track execution of emerging infrastructure projects i.e. Metro Rail, Smart Cities, etc.




RInfra is well positioned to capture EPC Opportunities

Defence Business

- India is the largest importer of defence equipment in the world
- Defence spending increased @ CAGR of 5.3% in last 10 years
- Increase in FDI to 49% – Push towards ‘Make in India’
- Projected expenditure of over US$ 200 bn over next 10 years

- Forayed into defence through offer for acquisition of Pipavav Defence & Offshore Engineering Co
  - 18% Promoter stake & Open offer for 26%
- Strategic acquisition keeping in mind:
  - Ship-building: Commercial (LNG carriers) & Military (Warships, Submarines & aircraft carriers)
  - MRO of warships & submarines of Indian Navy and friendly foreign Navies
  - Development and production of Naval weapon systems, sensors and missiles/torpedoes
- Technological tie-ups with global defence leaders for strategic partnership
- Allotted 289 acres land in MIHAN, Nagpur to manufacture aerospace equipment & naval combat systems

Acquisition will help RInfra tap opportunities in the defence sector

Pipavav Defence & Offshore Engineering Co. Ltd

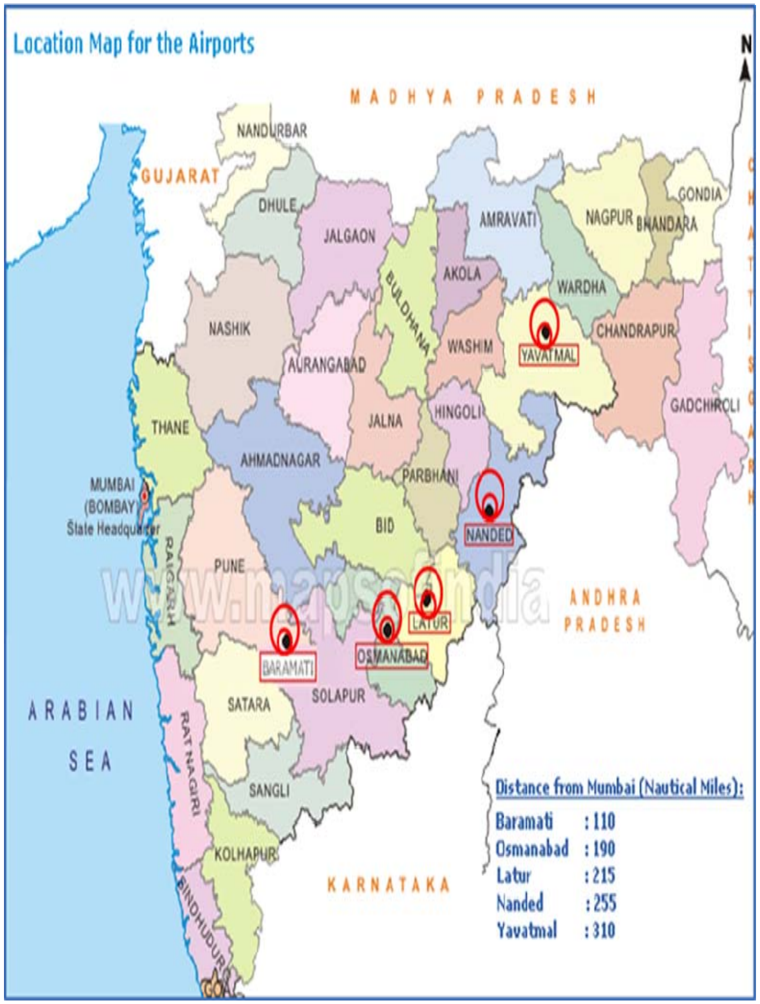
- India's first world class integrated Defence production, Ship Building & Offshore infrastructure company
- World's largest infrastructure across West Coast of India, Gujarat (841 acres), Gulf of Cambay (210 acres) & Shipbuilding (250 acres)
- Facilities:
  - One of the largest dry docks of the world - 662 mtrs in length and 65 meters width
  - 2 goliath cranes with combined lifting capacity of 1,200 tons
  - Capacity: 144,000 mtpa
  - Covered shed area – 3 mn sqft (for engineering and fabrication)
- Technological tie-ups with global defence leaders like SAAB (Sweden), DCNS (France), SEMBCORP Marine (Singapore), etc.
- Robust order book in defence:
  - Offshore Patrol vessels for Indian Navy – US$ 595 mn
  - Expected Fast Patrol for Ministry of Defence – US$ 170 mn
  - Offshore supply vessels for ONGC – US$ 240 mn

Opportunities in Defence

Particulars	Opportunity* (US$ Bn)
Navy	**100**
Development of Naval Base	30
Capital Warships (Destroyers, Frigates, Aircraft Carrier)	25
Nuclear Submarines (Attack and Ballistic Missile)	25
Conventional Submarines	10
Naval Multi-role helicopters	10
Army	**65**
Battle Management, Communication Systems and Mountain strike corps	25
Future Infantry combat vehicle, battle tank and air missile	30
Surveilliance Helicopter, Field Artillery program and UAV	10
Air Force	**55**
Combat Aircraft	30
5^{th} Generation fighter aircraft	15
Medium Transport Aircraft	10

*Indicative opportunities in defence sector over next 10 years

Airport Business



- Operating 5 brownfield airports in Maharashtra i.e. Nanded, Latur, Yavatmal, Baramati & Osmanabad
  - Lease period : 95 years
  - Land area : 1,487 acres
- All airports have Charter flight & Corporate Jets operations
- **Opportunities** :
  - Upcoming Navi Mumbai International airport
  - 200 low cost airports to connect Tier II & III cities
  - 15 new Greenfield airports

Aims to expand its footprint in the airport sector

Financial Performance - Consolidated

(All figures in ₹ bn)

Particulars	FY11	FY12	FY13	FY14	FY15	Q1FY16
Total Income	159.1	250.3	234.3	203.0	188.5	48.3
EBITDA	24.9	35.3	40.2	40.7	45.6	12.4
PAT	15.5	15.9	18.7	19.1	18.0	4.0
Networth	236.1	242.4	261.2	265.9	269.7	273.9
Debt	116.7	182.9	219.8	242.9	257.7	266.3
EPS (₹/share)	58.2	60.1	71.2	72.8	68.5	15.2
Book Value (₹/share)	883	918	993	1,011	1,026	1,041

Note: PAT and EPS in FY13 excludes exceptional item of "Profit from sale of RPower shares"

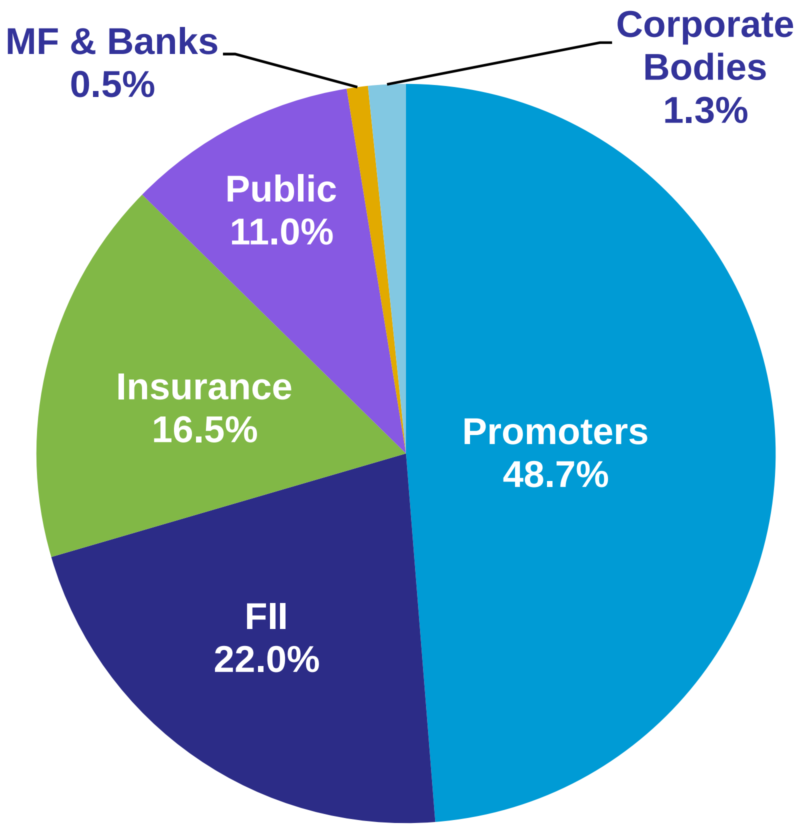
Conservatively financed Debt : Equity of 0.97x

Capex cycle nearing completion

Reverse Cash flow started

Strong balance sheet to drive growth

Shareholding Pattern



As on September 30, 2015

Largest shareowner family in the sector : 1.2 mn

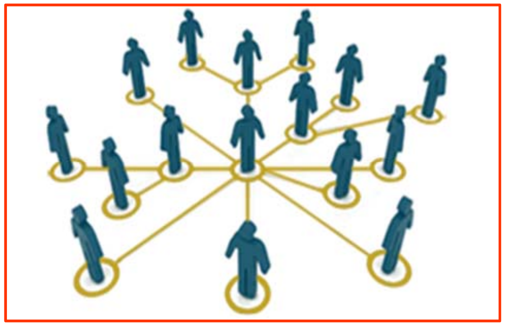
RELIANCE

Human Capital – Our Strength

13000+
Employees

Young Workforce
Average Age 40 years

775 training programmes for ~31,000 man-days



Strategic enabler and business growth driver

Corporate Social Responsibility

- **Swachh Bharat Abhiyan** through cleanliness drive across operations & neighbouring localities
- **Surakshit Raho Khush Raho** initiative for Slum safety
- **Young Energy Savers** campaign about energy conservation
- **Health Programmes:** Free medical & eye check-up & blood donation camps
- **Sponsorship:** Computers, Rainwears, Educational kits, scholarship etc.

National award for Excellence in CSR & Sustainability Awareness

Awards & Recognition

Metro Rail

"Outstanding Contribution in Urban Transport" by 5th EPC World Awards (Knowledge Partner E&Y)

IT

"Innovation award in Asset Management & Automation" by IPPAI

Distribution

"Developer of the year – National Highway" & Tolling Technology of the year" by Construction Sphere Group

Safety

"International Safety Award 2015" by British Safety Council to Cement business

Quality

"Golden Peacock National Quality Awards 2014" in the service sector by Institute of Directors

Distribution

"Golden Peacock Business Excellence Award 2014" in the service sector

RINFRA
Well Positioned

Proven track record of operational efficiency

Well diversified portfolio with stable cash flows

De-risked – All projects operational

Amongst the least leveraged company in the infrastructure sector

To capitalize on US$ 250 bn opportunity in defence

To participate in US$ 1 trillion India infrastructure opportunity

... to capture emerging growth opportunities & create shareholder value

Thank You