

Reliance Infrastructure Ltd.

Investor Presentation



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The Reliance Group - A premier business Group of India…

By The Numbers

8	Million Shareholders
200	Million Customers
100,000	Skilled workforce
~USD 41 bn	Assets in USD
~US$ 15 bn	Net worth in USD
~ US$ 9 bn	Revenues in USD
~ US$ 2 bn	Operating Profit in USD

1 USD = Rs 64

Overview

- Group is amongst India's leading business houses
- Reaching 1 out of 6 Indians every single day
- Amongst the largest shareholders n the world
- Group has leadership positions across businesses:
  - Infrastructure
  - Financial services
  - Power
  - Communications

Key FII Investors in Group Companies

Teachers' Pension Plan Ontario, BNY Mellon, Vanguard, BlackRock, ADIA, American Funds, Credit Suisse, Brandes Investment Partners

Reliance Group – Key Businesses

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

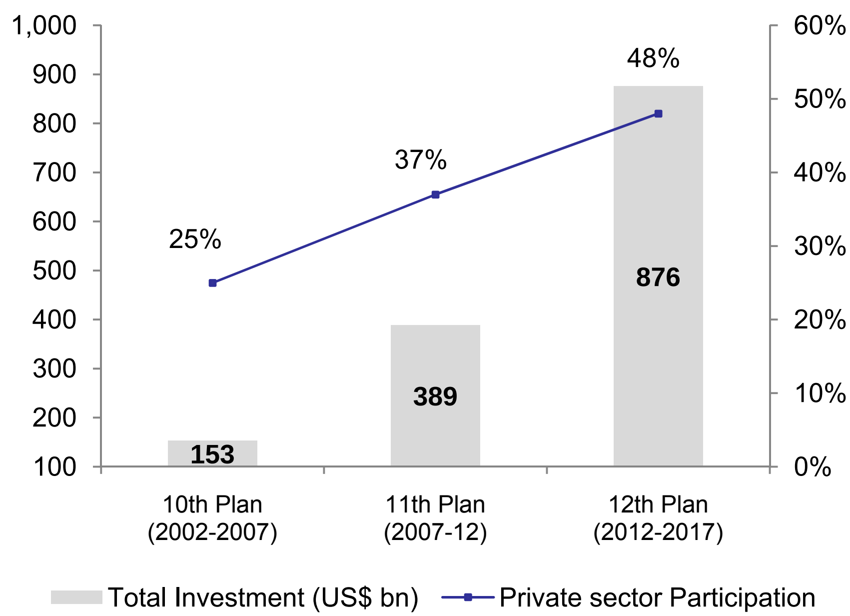
Communication

- 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

Investment across infrastructure sectors expected to increase significantly



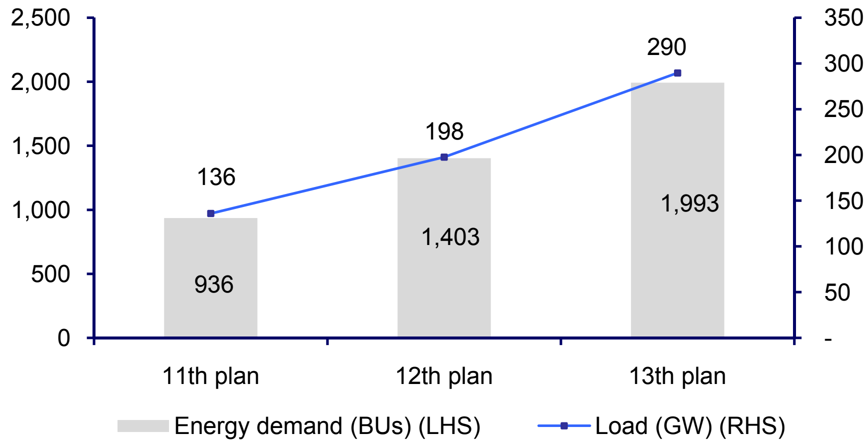
Source: CMIE, Planning Commission (2011-12 prices)

- 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

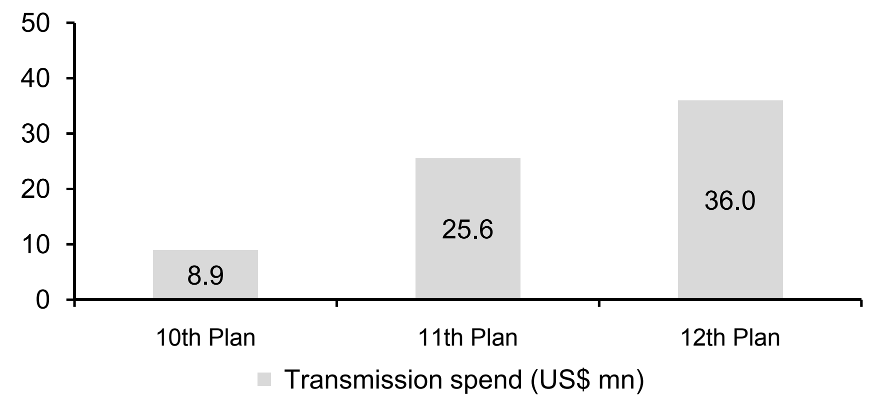
RInfra is present in sectors to have ~60% of infra spend during 2012-17

Power Sector – Priority Sector for the Government

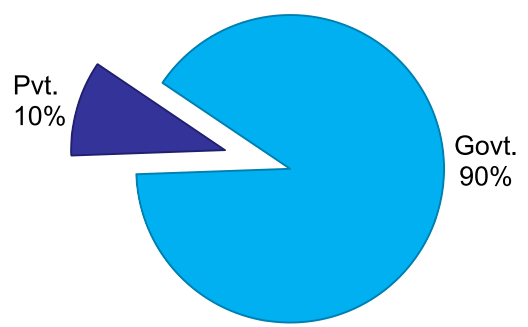
Strong demand push for 24x7 uninterrupted power supply



Huge investments planned in power transmission sector



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

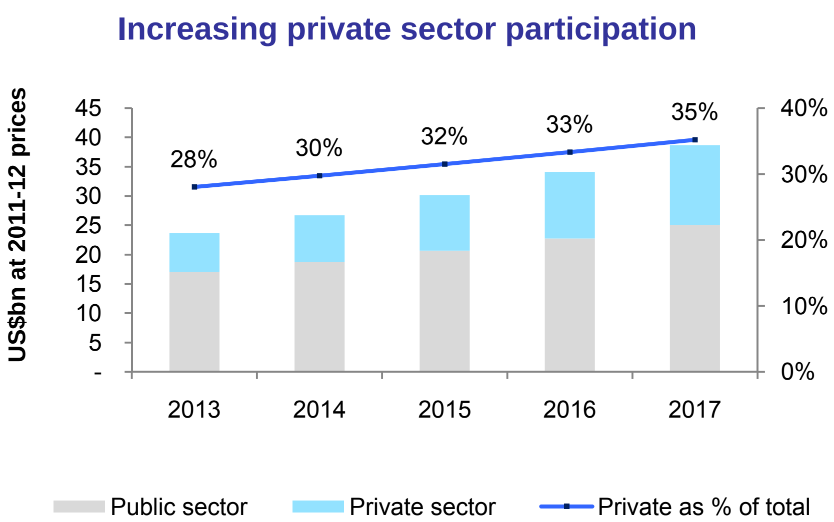


- Installed power capacity at ~270 GW with >108 GW capacity addition in last 10 years
- ₹ 15,000 bn investments planned to achieve 88.5 GW capacity additions during 2012-17
- 55% of investments expected from private sector
- Govt. initiatives wrt Coal block auction and gas pooling framework should revive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

Source: 18th Electric Power survey ,CEA, Planning Commission - Working group on Coal, Planning Commission, Ministry of Power

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 15,000 kms of road projects worth ₹ 1,500 bn over next 2 years
- ~32% of the total planned outlay in the sector is expected from the private players

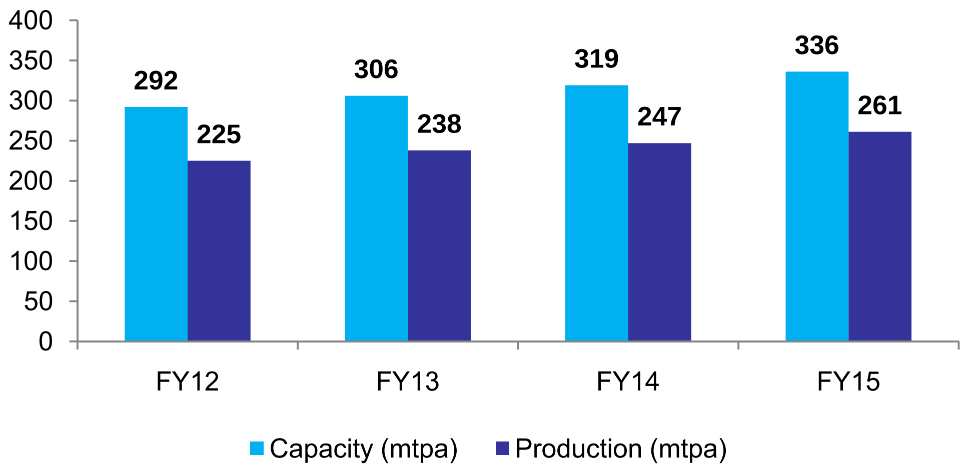
Govt. allocated ₹ 280 bn to NHAI via increased in cess on petrol & diesel and premium collection

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

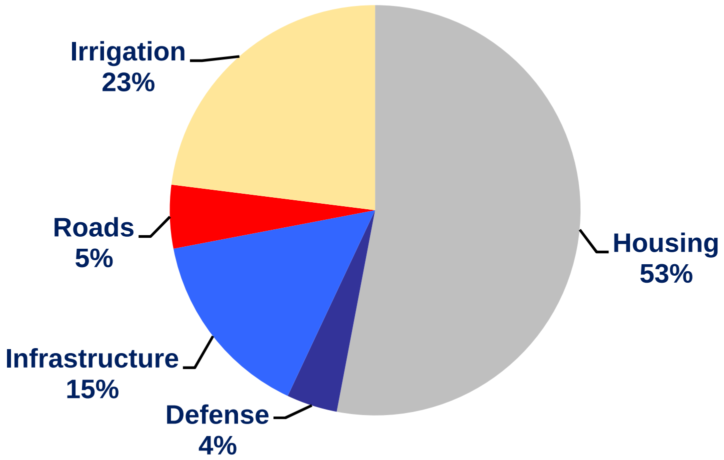
RInfra is amongst the top 3 private players in the Road sector

Cement – Key Input for infrastructure sector

Indian Cement Industry



Demand from various industries for Cement



- 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

Government strong focus on reviving cement demand

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

100 Smart Cities – A Significant Growth Opportunity

Prime Minister's vision of 100 'Smart Cities'

Sectors that will be key beneficiaries

- Power
- Telecom
- Road
- Water
- Railways (MRTS)
- Waste Management
- Airports
- Ports
- Cement
- EPC activity

Proposed 'Smart Cities' will be satellite towns of larger cities and modernization of existing mid-sized cities

Government recent positive initiatives

- Master planning of smart cities in Delhi-Mumbai, Amritsar-Kolkata & Chennai-Bengaluru Industrial Corridor to be completed
- Allocated ₹ 1 bn each for Metro projects in Lucknow & Ahmedabad and setting up National Industrial Corridor Authority
- Pooled Municipal Debt Obligation corpus of ₹ 500 bn proposed
- Amendments to labour / industrial laws & land acquisition bill being pushed

RInfra will capitalize on the opportunities available in smart cities

Recent Govt. Initiatives for Infrastructure Sector

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 eased – Ordinance issued and Bill passed in lower house of parliament

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 (US$ 12 bn); 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

RInfra Businesses

Generation
Transmission
Distribution

Assured Returns with Performance Incentives

Roads
Metro Rail

Free Market and High Growth

Cement

Defence

High Growth & Make in India initiative

EPC for Infrastructure sector

Negligible Capital & High Growth

Presence across all key infrastructure sectors

Presence across Power Value Chain

Distribution

- Over 6.4 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)

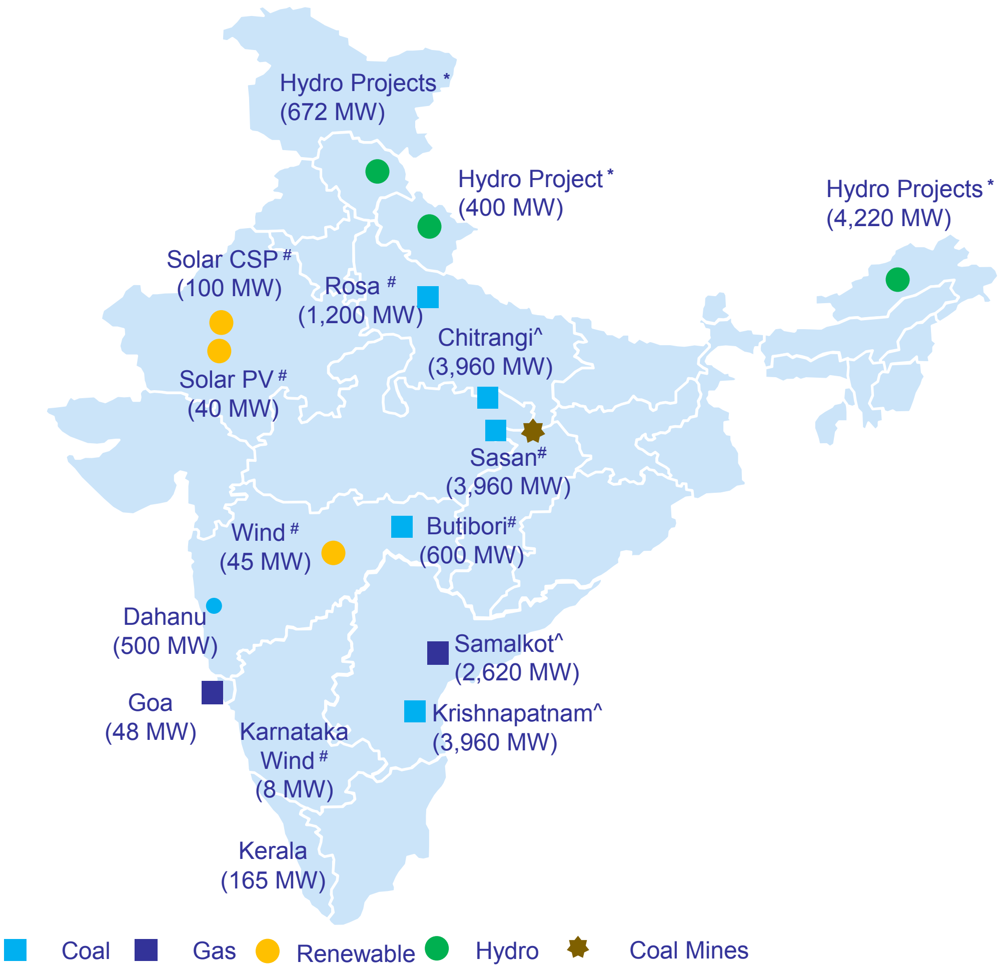
Transmission

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

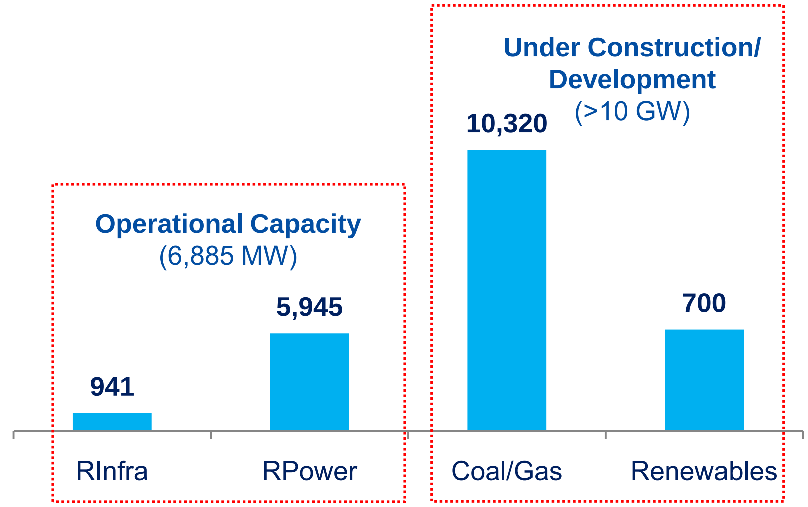
RInfra has 42.2% stake in RPower

Leading integrated private sector power company in India

Power Generation



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 Bangaldesh to develop 3,000 MW LNG based power project

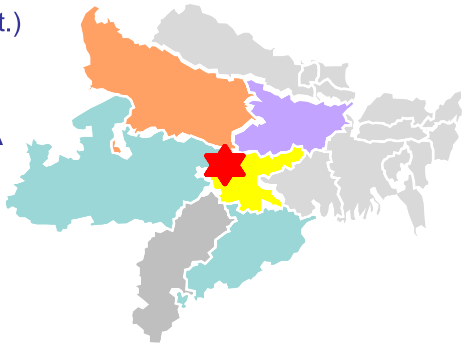
All future power generation will be through RPower

Coal Resource

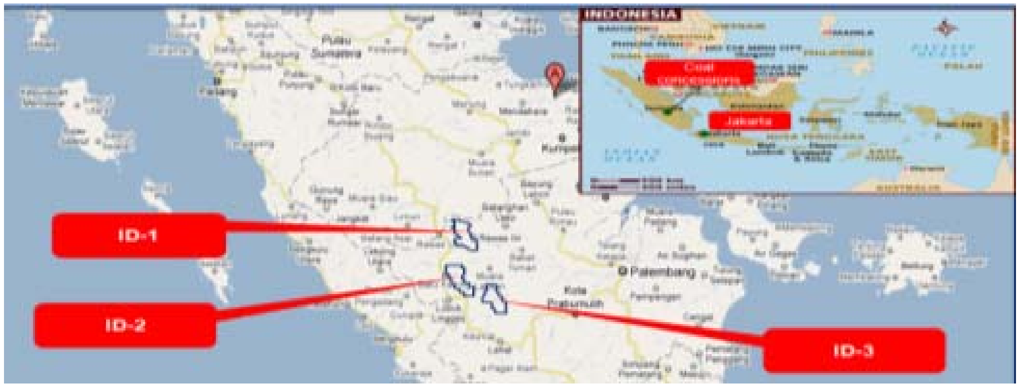
575 mn tonnes coal reserves in India with target production of ~20 MTPA

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

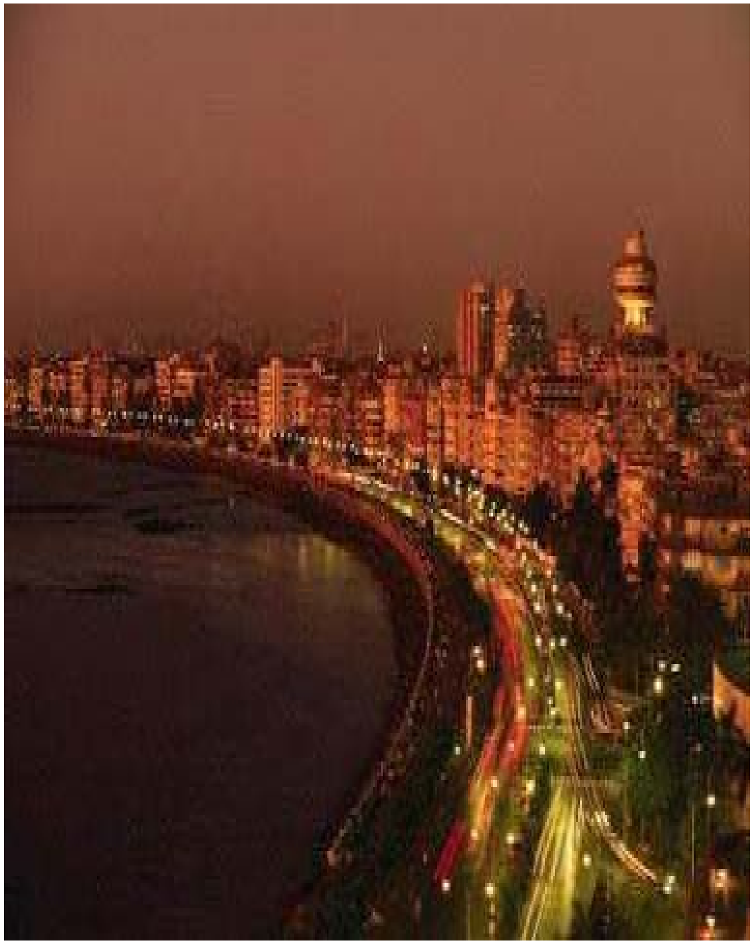
Serving over 6.4 million consumers

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 over 2.9 mn customers
- 9% loss levels versus India avg. of ~24%
- Reliability of 99.98% : Avg. interruption of <20 secs/day
- Only city without the need for power back-ups
- Started recovery of arrears amounting to ₹ 55.5 bn & Cross Subsidy Surcharge wef Sept 2013
  - Already recovered ₹ 13.2 bn arrears till FY15
- Competitive tariff facilitating reverse migration of consumers

Amongst the most efficient power distribution utility in the country

RELIANCE

Delhi Distribution

- Serving over 3.5 mn customers
- Loss levels reduced from 55% to 18%
- Delhi Govt. saved ~₹ 400 bn since 2002
- ~₹ 50 bn spend on network upgradation
- Provides 24x7 reliable & quality power
- Avg outage reduced from 5 hrs/day to 3 mins/day
- Implemented tariff hike of ~80% in last 4 years
- DERC approved Power Purchase Adjustment Charge (PPAC) of 6% for both discoms
- Regulator approved recovery of ~₹ 100 bn arrears

India's most admired power distribution company by Forbes

Power Transmission

- Operating / Developing 3 projects worth ₹ 46 bn
- Enable transmit >4,000 MW of power in western region
- ~4,000 circuit kms of transmission lines operational
- Benefiting over 45 utility companies
- Transformation capacity of 3,000 MVA

1 Western Region Strengthening Scheme*

- First 100% privately owned transmission line in India
- 8 out of 9 lines commissioned in Maharashtra & Gujarat
- Project to be operational within FY16

2 Mumbai Transmission#

- 8 Extra High Voltage (EHV) sub-stations charged
- High System availability of 99.9% - Ensuring incentives
- Received regulatory approval for developing ₹ 70 bn HVDC project

3 Parbati Koldam#

- Signed bulk transmission agreement with 13 beneficiaries
- Both the lines commissioned and revenue generating

*Competitive Based Project #Regulated Return Project

Largest private player in the transmission sector

Roads Business

- Amongst the top 3 NHAI concessionaires
- 10 out of 11 projects are revenue operational
- All projects expected to be revenue operational within this year
- High traffic growth urban corridors eg. Delhi, Bangalore, Jaipur, Gurgaon, Agra, Pune, etc.
- Concession period ranges between 18 - 30 years

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

- Only East to West rail connectivity in Mumbai
- Travel time reduced from 90 to ~21 mins
- 85 million commuters travelled since commencement
- Around 110,000 trips made with >99% service efficiency
- Initial fares implemented wef January 09, 2015 after charging promotional fare
  - Currently, Fare Fixation Committee is in the process of revising the fare

Commercial operations commenced in June 2014

Cement Business

Operational Project	Location	Capacity (mtpa)
Maihar	Madhya Pradesh	3.0
Kundangunj	Uttar Pradesh	2.0
Butibori	Maharashtra	0.5
Durgapur	West Bengal	0.3

- Operational cement capacity of 5.8 MTPA with presence across 6 states in India
- Greenfield project in Madhya Pradesh completed at ₹ 6 bn/ton in a record time of 24 months
- Aiming 90% clinker capacity utilization in FY16
- Plans to expand capacity to 10 MTPA in next 3 years
- Won Sial Ghogri coal mine with extractable reserves of 5.7 million tonnes


Amongst the top 3 brands in India in terms of pricing

RELIANCE

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 ₹ 51 bn as on March 31, 2015
- Consistently maintained EBITDA margin of 8% - 10% over last 6 years
- Proven track record of executing large projects
- Established **“Centre of Excellence”** to enhance technical capabilities

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$ 220 bn over next 10 years
  - Navy – US$ 100 bn
  - Army – US$ 65 bn
  - Air Force – US$ 55 bn

- Forayed into defence through acquisition of Pipavav Defence & Offshore Engineering Co. Ltd – *Largest ever acquisition in defence sector in India*
- Strategic acquisition keeping in mind:
  - Ship-building opportunities : Commercial and Military (Surface and Submarine)
  - Aircraft carriers, Offshore platforms and rigs
  - 2nd largest dockyard in the world - 859 acres land with 257 acres dedicated waterfront
- Technological tie-ups with global defence leaders
- Acquisition will take place via following mode:
  - **Promoter stake:** 18% stake @ Rs 63/share
  - **Open offer*:** 26% share capital @ Rs 66/share

*Awaiting approval from Gujarat Maritime Board

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)
- 1st private company to get license to build warships for Indian Navy
- 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
  - Fast Patrol vessels for Ministry of Defence – US$ 170 mn
  - Offshore supply vessels for ONGC – US$ 240 mn

Opportunities in Defence

Defence Sector Opportunity	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
5th Generation fighter aircraft	15
Medium Transport Aircraft	10

*Indicative opportunities in defence sector over next 10 years

Financial Performance - Consolidated

(All figures in ₹ bn)

Particulars	FY11	FY12	FY13	FY14	FY15
Operating Income	152.2	242.2	223.7	190.3	172.0
EBITDA	24.9	35.3	40.2	40.7	45.6
PAT	15.5	15.9	18.7	19.1	18.0
Networth	236.1	241.3	261.2	265.9	269.7
Debt	116.7	182.9	219.8	242.9	252.5
EPS (₹/share)	58.2	60.1	71.2	72.8	68.5
Book Value (₹/share)	883	918	993	1,011	1,026

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

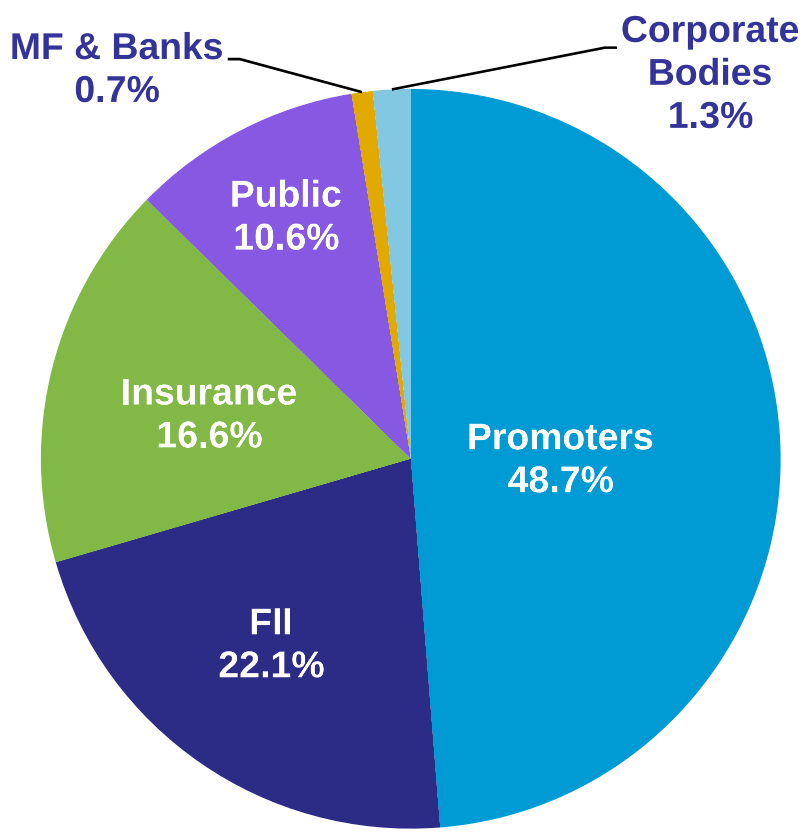
Conservatively financed Debt : Equity of 0.9x

Capex cycle nearing completion

Reverse Cash flow started

Strong balance sheet to drive growth

Shareholding Pattern



As on March 31, 2015

Largest shareowner family in the sector : 1.2 mn

RInfra in FY16

1. All projects will be revenue operational within FY16
2. Operating one of the most efficient distribution networks
3. To capitalize on ~US$ 220 bn opportunities in defence
4. First mover advantage in infrastructure sector
5. Amongst lowest leveraged company in infra sector
6. To capitalize on US$ 1 tn infrastructure opportunity

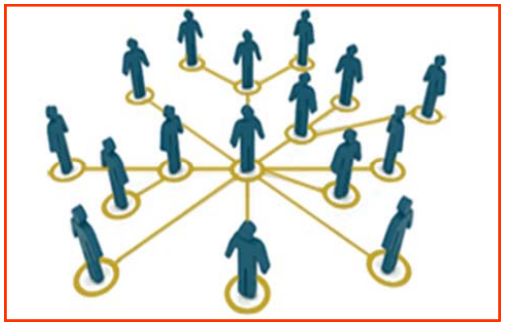
RELIANCE

Human Capital – Our Strength

8000+
Employees

Young Workforce
Average Age 35 years

Rev/Employee Productivity
₹ 2.5 crore



“People are our Real Assets”

Corporate Social Responsibility

C

- **Young Energy Savers (YES)** campaign about energy conservation
- **Change for Mumbai :** Energy efficient appliances to consumers at discounted rates

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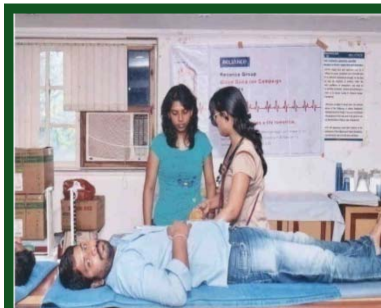

- **Health Programmes :** Free Medical checkup & Blood Donation
- **Sponsorships :** Educational kits, scholarships computers, sports ground, rainwears, etc.

R

- **Earth Hour Participation :** Energy conservation
- **Vanmahotsav Saptah :** Tree Plantation by employees

Awards & Recognition

10
HR
Excellence
Award

50
Quality
Award

21
BUSINESS
Excellence
Award

15
Environment
&
Safety Award

Thank You