



Reliance

Industries Limited

Growth is Life

2Q FY 2015-16

Financial Results

16 October 2015

Forward Looking Statements



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Financial Results

Consolidated Financial Results : 2Q FY16



1Q FY16	(in ₹ Crore)	2Q FY16	2Q FY15	% Change Y-o-Y	% Change Q-o-Q
83,064	Turnover	75,117	113,396	-33.8%	-9.6%
7,967	Segment EBIT	8,579	7,394	16.0%	7.7%
6,222	Net Profit (excl. exceptional item)	6,468	5,972	8.3%	4.0%
6,222	Net Profit	6,720	5,972	12.5%	8.0%

- YoY and QoQ turnover decline - primarily due to decline in crude oil prices; 50% YoY and 19% QoQ
- Robust 11% YoY growth in Segment EBIT
 - Refining : ₹ 5,461 crore (+42%); EBIT margin of 9.0%, up 530bps YoY
 - Petrochemicals : ₹ 2,531 crore (+7%); EBIT margin of 11.9%, up 300bps YoY
- Net profit growth of 12.5% YoY (incl. exceptional items of ₹ 252 crore in US shale)
 - Strong performance from R&M and Petrochemicals business, favorable exchange rate movement partially offset by lower E&P business contribution, lower investment income
- On standalone basis, record net profit at ₹ 6,561 crore, up 14.3% YoY

Consolidated Segment Revenue : 2Q FY16



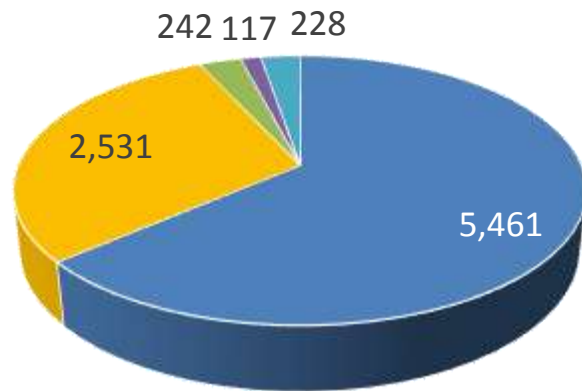
1Q FY16	(in ₹ Crore)	2Q FY16	2Q FY15	% Change Y-o-Y	% Change Q-o-Q
68,729	Refining	60,768	1,03,590	-41.3%	-11.6%
20,858	Petrochemicals	21,239	26,651	-20.3%	1.8%
2,057	Oil & Gas	2,067	3,002	-31.1%	0.5%
4,698	Organised Retail	5,091	4,167	22.2%	8.4%
2,579	Others	2,866	2,455	16.7%	11.1%

- YoY hydrocarbon chain revenues impacted by lower product prices; Refining ~46%, Petrochemicals ~30%
- QoQ Refining revenues down by 11.6% primarily due to fall in oil prices (Brent crude down 19% QoQ)
- QoQ Petrochemicals revenues stable on strong polymer demand and higher volumes
- Strong growth momentum in Retail business
 - Revenue up 22.2% on YoY basis
 - Store network expansion – net addition of 110 stores during 2Q FY16

Consolidated Segment EBIT Mix

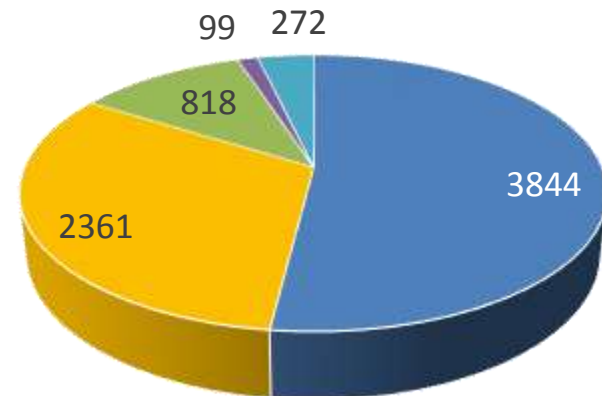


2Q FY16 (₹ crore)



■ Refining ■ Petrochemicals ■ Oil & Gas ■ Retail ■ Others

2Q FY15 (₹ crore)



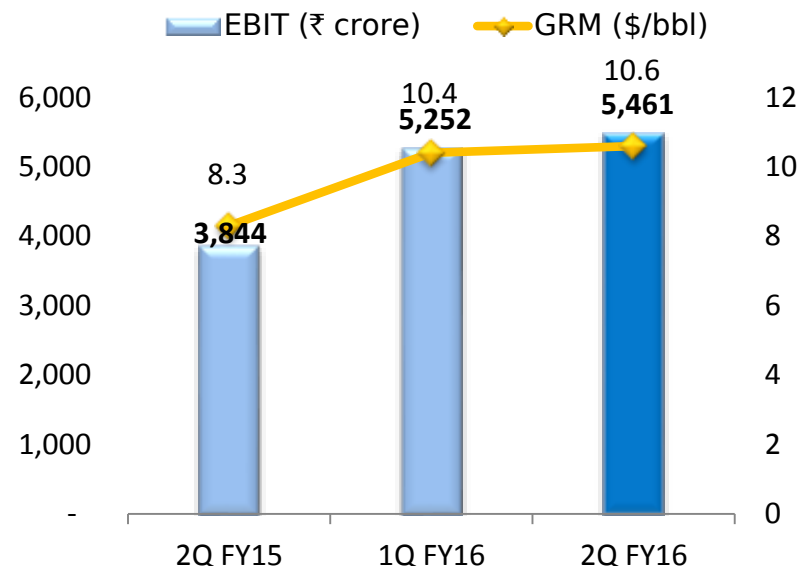
■ Refining ■ Petrochemicals ■ Oil & Gas ■ Retail ■ Others

- Overall segment EBIT up 16% YoY to ₹ 8,579 crore
- Share of Refining EBIT increased sharply to 63.7% from 52.0% a year ago

R & M Segment Performance



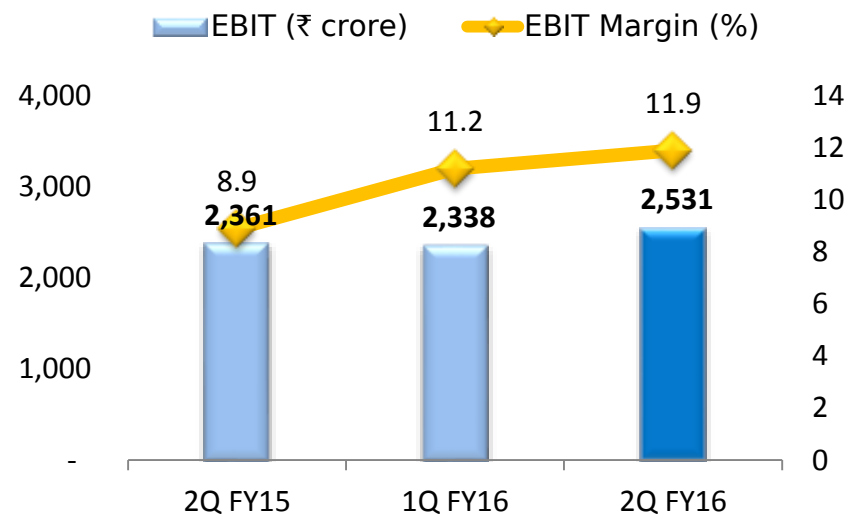
- Highest ever quarterly EBIT of ₹ 5,461 crore, up 42.1% YoY and 4.0% QoQ
- GRM of \$ 10.6/bbl – highest in last seven years
 - Strong gasoline cracks (+47% YoY)
 - Robust risk management and favourable crude sourcing
 - Low energy cost
- Outperformed Singapore benchmark by \$ 4.3/bbl – highest in last six years
- Crude throughput of 17.1 MMT, operating rate of 110%
- Strong growth in global oil demand supported by low prices



Petrochemicals Segment Performance



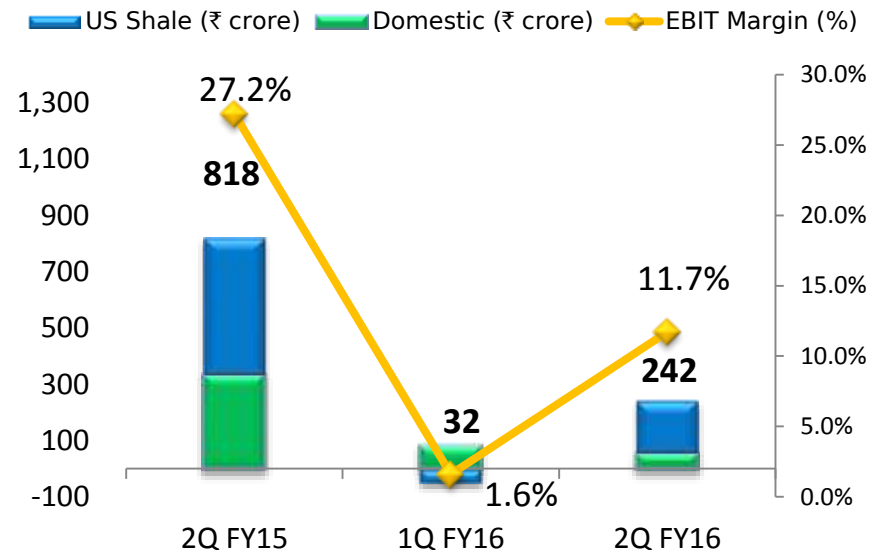
- EBIT of ₹ 2,531 crore, up 7.2 % YoY and 8.3% QoQ
 - Sharp improvement in EBIT margin at 11.9%
 - Improved profitability for naphtha cracking
- Stable polymer and polyester chain deltas (integration benefit), lower energy costs and better volumes aided EBIT growth
- Production at 6.2 MMT, up 7% QoQ
- Robust polymer demand growth in India – up 12% in 1H FY16
- Polyester demand up 2% in 1H FY16



Oil & Gas Segment Performance



- EBIT at ₹ 242 crore
- 2Q FY16 financials include:
 - Gain on sale of investment (net of taxes), in EFS Midstream of ₹ 2,911 crore
 - Provision for impairment, net of tax, in shale gas assets held of ₹ 2,659 crore
- Continued pressure on commodity prices in upstream business
- US shale production marginally higher at 51 BCFe in 2Q FY16
 - Unit realizations down 20% QoQ and 51% YoY
 - Differentials remain challenging in NE US; average ~\$1.48/MMbtu in 2Q FY16

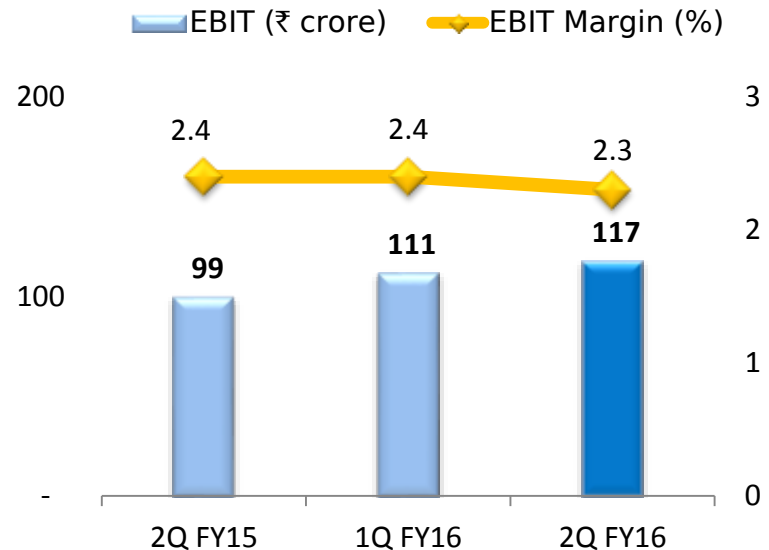


- Domestic upstream: KG-D6 production at 11.4 MMSCMD and 5,056 BOPD of liquids
 - Performance impacted by natural decline and lower realizations

Retail Segment Performance



- Retail EBIT at ₹ 117 crore, up 18% YoY
- Revenue momentum sustained – Turnover growth of 22% to ₹ 5,091 crore
 - Led by strong growth in Digital and Fashion & Lifestyle segment
- LFL growth of up to 16 % across format sectors
- Growth in contribution from private labels to overall sales boosting profitability
- Net addition of 110 stores
 - Total No. of 2,857 stores
 - Pan India retail footprint of over 12.8 Mn. sq. ft. across 250 cities
- E-com platform for Fashion & lifestyle and Market Place on track for launch



Consolidated Net Debt



Gross Debt

₹ 172,765 crore

(higher by ₹ 1,951 crore)

Cash & Cash Equivalent

₹ 85,720 crore

(lower by ₹ 1,671 crore)

Net Debt

₹ 87,045 crore

(higher by ₹ 3,622 crore)

(Comparisons are w.r.t. 30th June 2015)

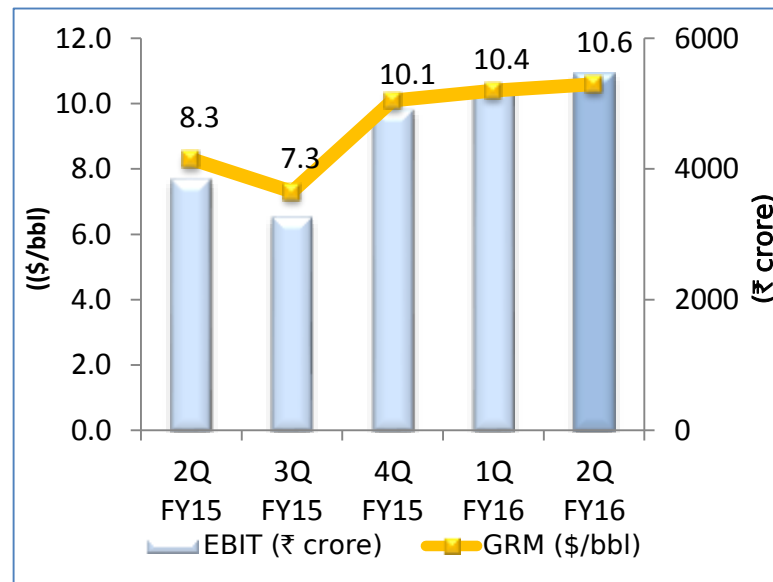


Refining & Marketing

Performance Highlights : 2Q FY 2015-16



- 2Q FY16 GRM of \$ 10.6/bbl, highest in last 7 years
 - Record EBIT of ₹ 5,461 crore
- Crude processed : 17.1 MMT, operating rate of 110%
- Strong gasoline cracks and active feedstock management helped boost refining margins
 - Re-optimized crude basket to negate the impact of strong Dubai
 - Robust risk management
 - Low energy cost
- Continued excellence in operational and energy efficiency
 - I.C.C. Award for Excellence in Energy Conservation and Management-2014, received in Aug'15
 - Highest ever quarterly throughput achieved for DTA crude units and FCC units
 - Highest ever quarterly production of ULSD achieved to maximize realizations

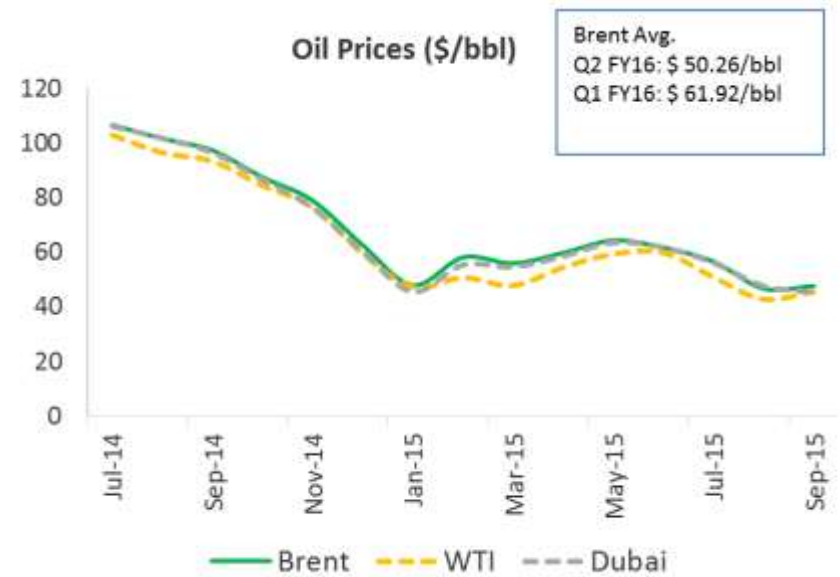


Record performance underpinned by operational excellence

Business Environment



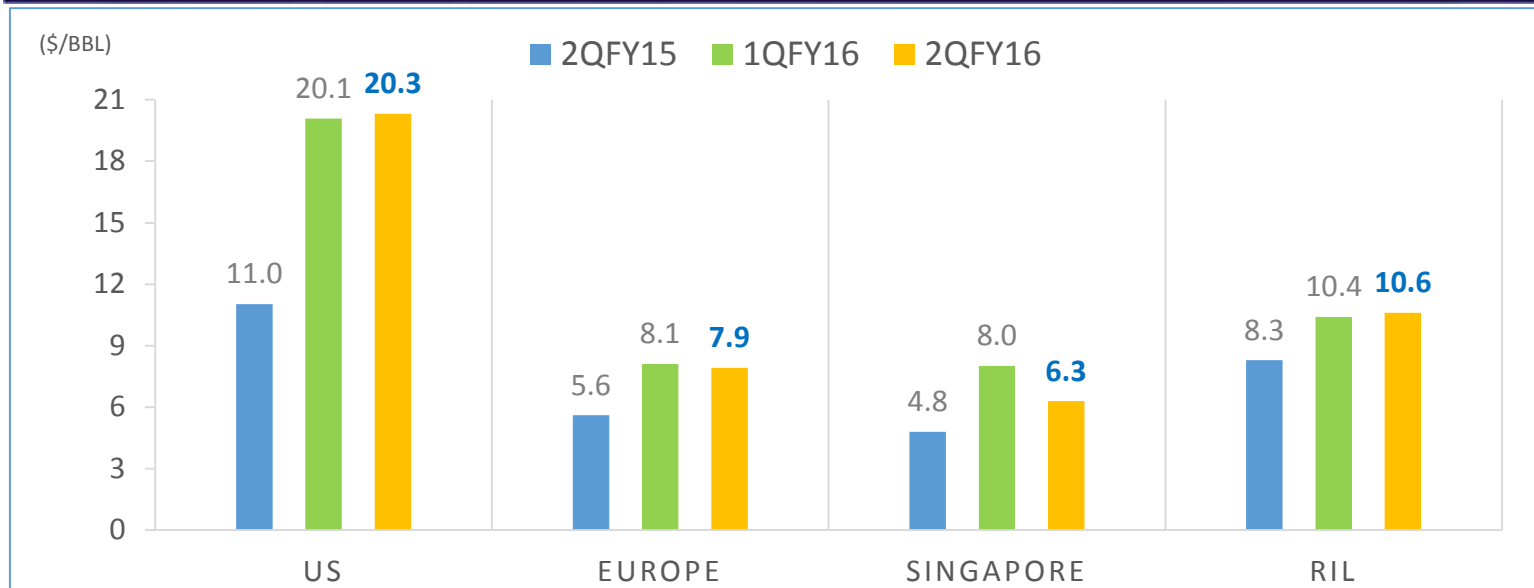
- Strong growth in global oil demand
 - 2015 demand growth expected at ~1.8 mb/d compared to 2014 growth of 0.8 mb/d
 - Low oil prices stimulating oil demand growth, despite uncertainty in global economic growth
- Crude prices weakened QoQ on oversupply
 - Non OPEC supply growth of 1.3 mb/d in first three quarters of 2015 vs. 2014
 - OPEC production of 31.2 mb/d in first three quarters of 2015 against 30.3 mb/d in 2014
 - Brent prices averaged \$50.3/bbl for 2QFY16 compared to \$61.9/bbl in 1QFY16
- Gasoline margins remained very strong on sustained demand while benchmark refinery margins eased



- Middle distillates cracks recovering ahead of seasonal demand
- New refinery additions in the region under ramp up and stabilization

Gasoline driven demand on low oil prices continued to support refining business

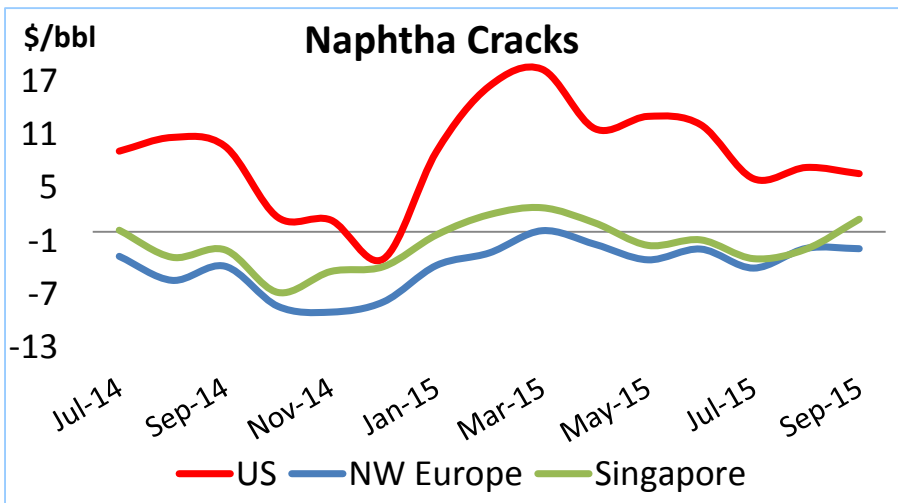
Global Refining Margins



- Singapore refining margins weakened QoQ due to:
 - Seasonally weaker middle distillates, sharp decline in fuel oil cracks
 - Relative strength in Dubai benchmark crude price
- Continuing strong gasoline cracks in 2Q FY16 supported margins in all regions
- Margin environment resulted in high refinery utilization across all regions
- Delays in starting up and stabilization of new projects (Light Distillate side) kept the supplies in check resulting in strong margins

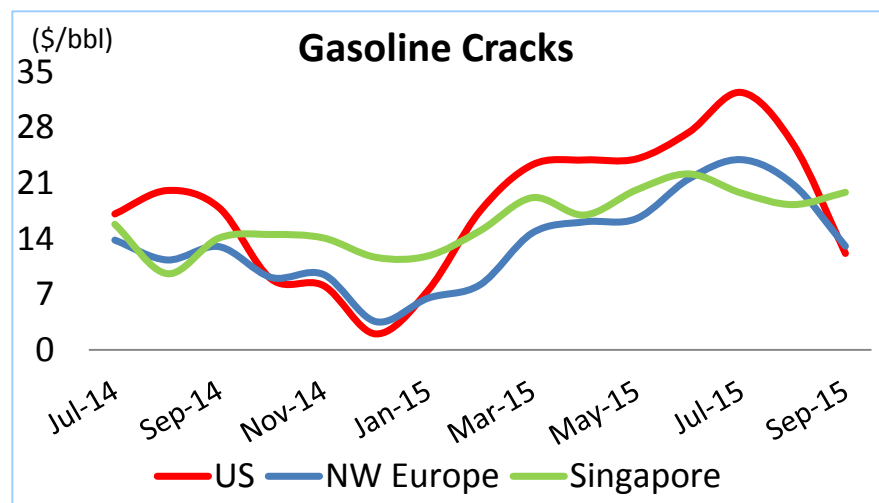
RIL's premium over benchmark widened to the highest level in nearly 6 years

Light Distillates Cracks : Sustained Strength



■ Naphtha cracks showed strength during the quarter,

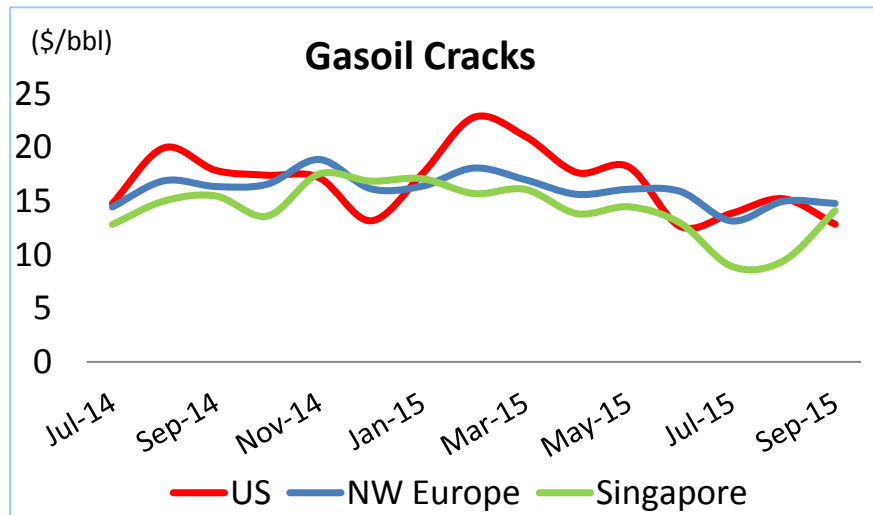
- Supported by healthy petrochemicals demand
- Strong gasoline cracks prompted Naphtha blending and reforming to Gasoline
- Addition of splitter capacities and weakening gasoline cracks in the later part of the quarter affected Naphtha cracks in US



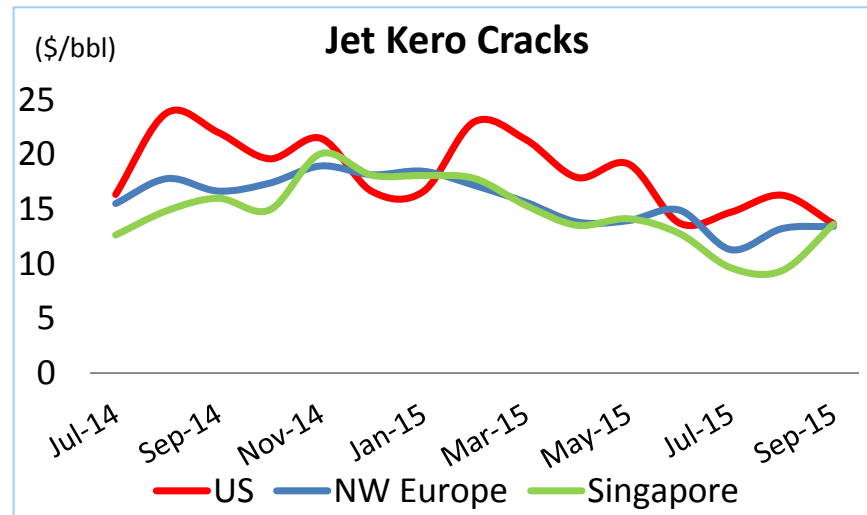
■ Gasoline cracks remained strong during the quarter

- Strong domestic demand in China and India supporting cracks
- Highest US demand since 2007 on low pump prices and unplanned refinery outages underpinned strength
- However, seasonal demand decline, steady high supplies and switch to cheaper winter RVP pulled the cracks down towards the end of the quarter in the Atlantic basin

Middle Distillates Cracks : Seasonally Weak

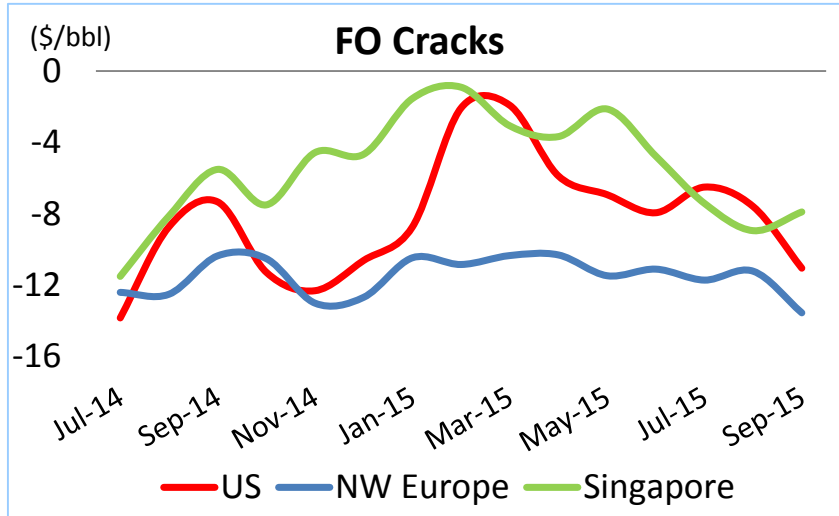


- Gasoil cracks started lower and improved through the quarter
 - High supplies out of China and India elevated stock levels in the Asian region
 - Higher refinery runs to exploit attractive light distillate cracks resulted in surplus gasoil
 - Seasonal stock builds ahead of winter in the latter part of the quarter lifting cracks



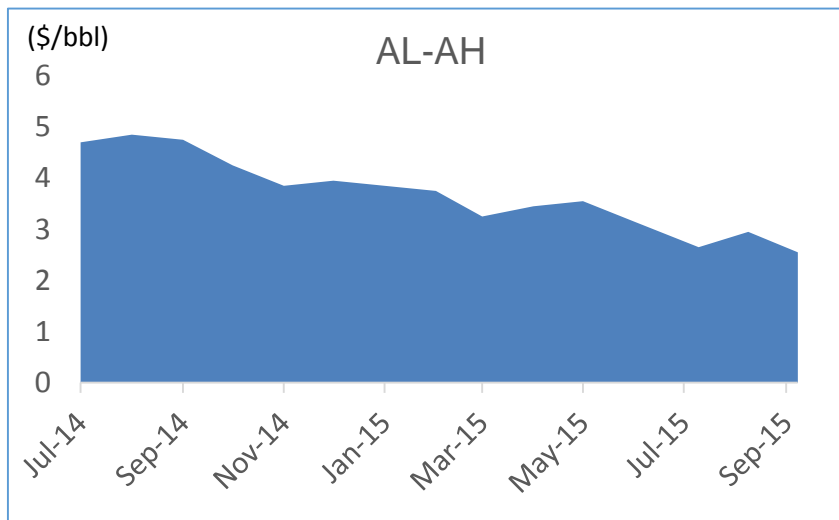
- Jet/Kero cracks also started low and strengthened during the quarter
 - Market remained well supplied; high stock levels
 - Global air passenger traffic led demand remained seasonally robust, though trended down in US towards end of the quarter
 - Seasonal stockpiling for winter heating in Asia supported cracks towards the end of the quarter

Fuel Oil Cracks & Crude Differentials : Favourable



■ Fuel Oil cracks weakened QoQ

- High supplies and stocks due to higher refinery runs
- Poor demand growth with smaller, less complex Chinese refineries shifting slowly to crude



■ AL-AH differential narrowed marginally on lower flat prices and as new complex refineries stabilized

- Overall supply of heavy grades in the region remained robust
- Narrowing Brent-Dubai and weakness in FO cracks provided favourable sourcing opportunity

Strategic Advantage – Crude



- Superior configuration provides flexibility to process wide range of crudes – key source of competitive strength
- Focus on processing of opportunity crudes for higher feedstock flexibility
- Responded to volatility in Brent-Dubai delta, by processing more Brent linked crude
 - Real time crude valuation to support RIL sourcing the optimal crude basket globally
- Total 147 crudes processed till date, 3 new crudes processed during the quarter

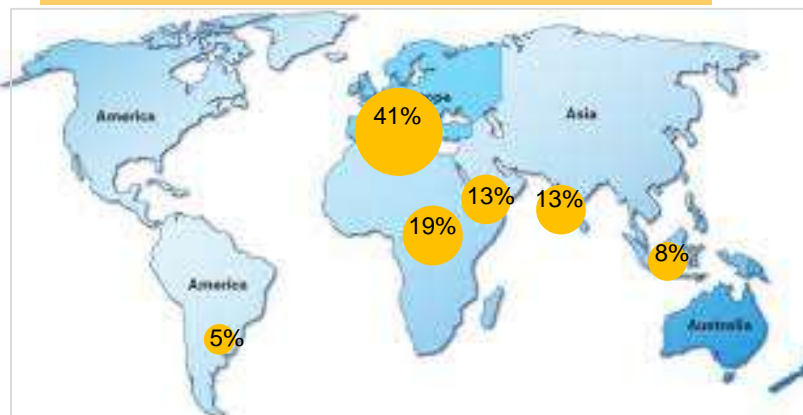
Continued focus on maximizing crude advantage of Jamnagar

Strategic Advantage – Products

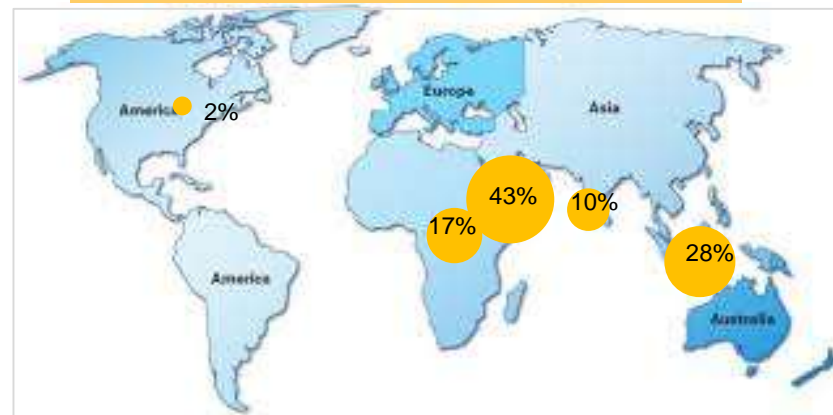


- Wide flexibility in product mix and grades, global reach in product placement – principal factors giving competitive edge to Jamnagar complex
 - Highest ever quarterly Gasoline + Alky production (4.0 MMT) to take advantage of strong gasoline cracks, with higher Alkylates sales to USA
 - Highest ever quarterly production of ULSD (4.1 MMT) to maximize realization vis-à-vis 500 ppm diesel amidst low domestic diesel demand growth
- Strong product placement capabilities in key markets

Product placement - Middle Distillate



Product placement - Light Distillate



Flexibility to quickly alter product slate and global presence gives RIL a trading edge

Crude and Product Cracks – Key Indicators



Crude and Asian Product Cracks (\$/bbl)	2Q FY16	2Q FY15	Y-o-Y Change	1QFY16	Q-o-Q Change
Dubai	49.8	101.5	-51.7	61.3	-11.5
Dt Brent-Dubai	0.5	0.4	0.1	0.6	-0.1
Asian L-H Diff	2.7	4.8	-2.1	3.4	-0.7
Naphtha	-1.2	-1.6	0.4	-0.5	-0.7
Gasoline	19.4	13.2	6.2	19.8	-0.4
Jet/Kero	10.9	14.5	-3.6	13.5	-2.6
Gasoil	10.8	14.4	-3.6	13.8	-3.0
Fuel Oil	-9.0	-10.5	1.5	-4.9	-4.1
Singapore GRM	6.3	4.8	1.5	8.0	-1.7
RIL GRM	10.6	8.3	2.3	10.4	0.2

- Light distillate strength particularly in gasoline supported the margins
- Lower oil prices incentivized demand growth and also reduced cost of operation, increasing margins
- Crude sourcing and grade switching flexibility helped RIL outperform benchmark margins
- Light-Heavy differential continue to be supportive for complex refiners

Domestic Marketing



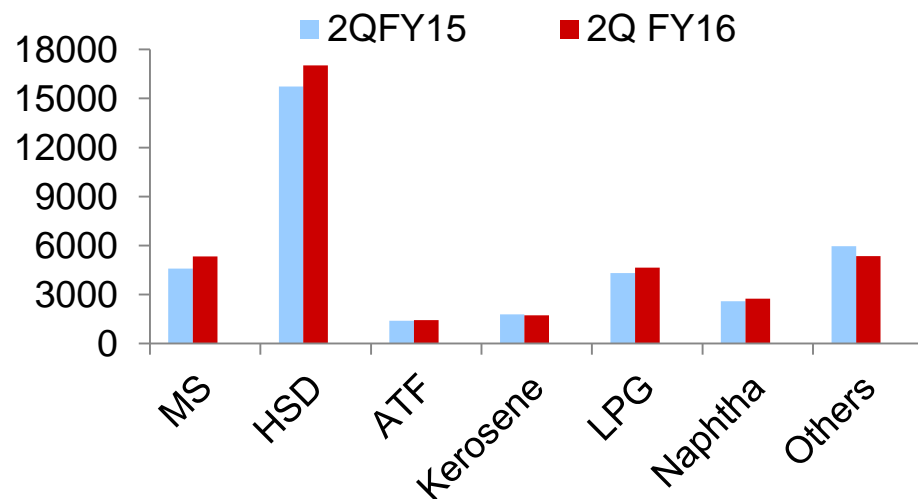
- Restart of entire network of 1400 outlets planned post deregulation
 - Over 600 retail outlets operational - remaining at various stages of commissioning
- Unique Value Added Services and aggressive consumer schemes rolled out
 - Fleet Management Program providing better Fleet Control, Cash Flow Management, Cashless transactions and Customized loyalty programs
- Re-securing Bulk-HSD customer base
 - Concluded Bulk supply contract for Railways, the largest consumer of HSD in the country - supplying to 23 Railway Consumer Depots

Domestic volumes to scale up with base infrastructure in place

Product Placement in Domestic Market



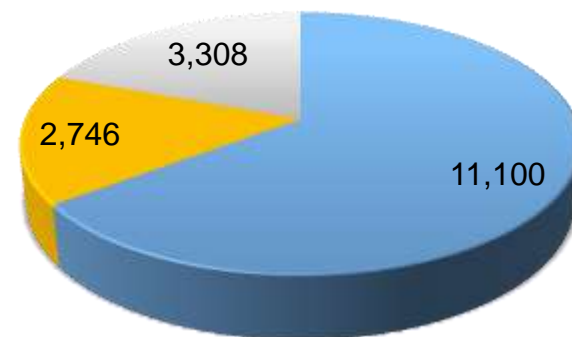
India Demand (in KT)



- Positive trend for transportation fuel demand
- Robust growth in gasoline (+16%) and diesel (+8%) demand expected to continue in the medium term
- LPG demand (+7.5%) slated for rapid growth post DBTL
 - success of “Give It Up” campaign and advertisement of benefits of LPG in reducing indoor pollution

Refinery Sales (KT) 2Q FY16

■ Exports ■ Captive ■ Domestic (Bulk + PSU + Industrial)



- **Refinery Product Sales:**
 - Resilient refinery sales growth, specially in exports
 - Increased exports helped in replacing PSU sales

Robust domestic demand supported refinery sales growth to meet India's energy needs

Petcoke Gasification Project Progress



- Round-the-clock working at construction site
- Construction resources maximised (125,000 plus on site)
- Erection of super-heavy lift equipment completed (Reactors, Cold Box, AGR columns, Super heaters, ASU compressors etc)
- Focus continues on fast track commissioning
- Civil works 95% completed
- Nearing mechanical completion on Coke Handling System, Rod Mill, ASU, Superheaters



Project set to deliver a quantum improvement in energy efficiency

Gasification Project in Pictures



Acid Gas removal columns



Super heaters



Gasifier super structure



ASU cold box



R&M Business Outlook – 2015



- Global oil demand growth is expected to reach a five-year high of 1.8 mb/d in 2015
- Growth in mature economies is supportive of global growth
 - US and parts of European
 - China likely to continue with economic stimulus
 - Indian economy looks robust
- Some potential for light distillates to come-off from their recent highs however demand continues to look resilient
- Middle distillates expected to strengthen from here due to a period of heavy turnarounds and peak seasonal heating demand
- Crude oil market looks to remain oversupplied compounded by high inventories
- Refinery closures in Asia combined with delays for new refinery projects is expected to keep product supplies tight

Margins well supported by low oil price and seasonal demand



Petrochemicals – Opening Remarks

Global Macro Environment



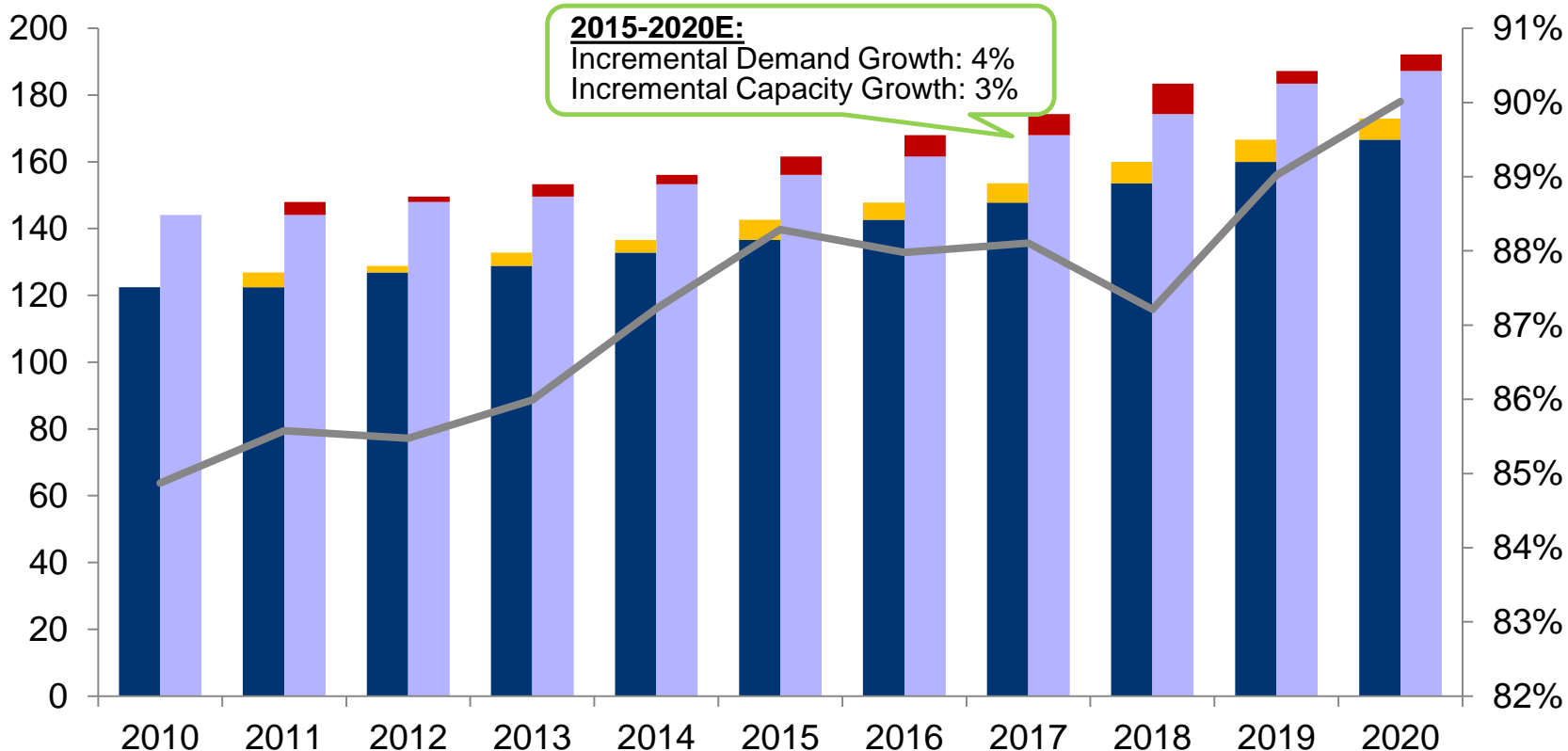
- Crude and Naphtha remained volatile through the quarter amidst mixed global trends
 - Crude down by ~19%; Naphtha down by ~ 20% QoQ
- Asian ethylene margins remained strong
 - Upside aided by healthy Chinese and regional demand
- MTO and PDH projects continue to be delayed and operate at sub-par utilization levels
- Potential negative impact of demand and spending slowdown in China countered by increased merchandise trade flows to US and Europe
 - Improved end-product consumption and a strong dollar
- Given the unprecedented stock market crash in China, contagion effect on Asian demand remains an uncertainty
- Integrated petrochemical players remain well poised to capture chain economics

Global Ethylene: Demand-Supply



(In MMTPA)

■ Demand ■ Inc. Dem ■ Capacity ■ Inc. Cap — Oper. Rate

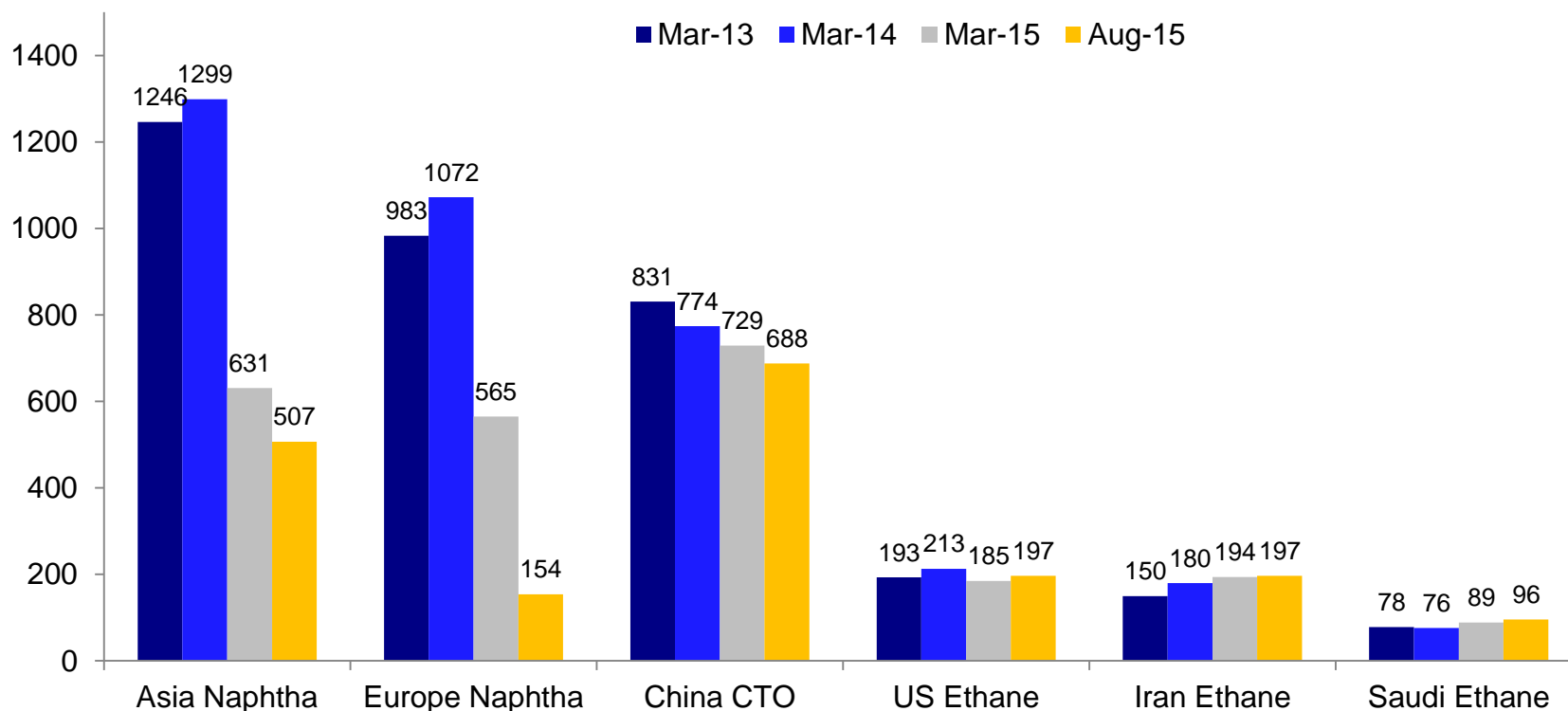


Global ethylene to remain tight through 2020 supported by high utilization rates and incremental demand balancing out the global capacity additions

Ethylene Cash Cost Comparison



(In \$/MT)



With oil prices hovering at ~\$40-50/bbl levels, the cash cost for Asian naphtha players continues to remain competitive against coal, shale and mid-east producers

Note: C2 cash costs for European Naphtha producers decreased significantly between Mar to July on account of large drop in naphtha costs and relatively stable co-product prices

Ethane Project – Update



- Activities for all key components of the project progressing as per plan
 - Construction of US Ethane loading terminal
 - Vessel building
 - Jetty modification
 - Import terminal at Dahej
 - Dahej-Nagothane pipeline

On track for completion by December 2016

Ethane Project: Cryogenic Facility at the US Terminal



Ethane Project – Loading Jetty at US Terminal



Ethane Project – Cryogenic Tank at Dahej



Ethane Project – Cryogenic Tank at Dahej Inner Roof Dome



ROGC Project – Overview



- ROGC (Refinery Off Gas Cracker) project salient features
 - Utilize off gases from various units of Refinery complex
 - Unique integration of Petrochemicals & Refining
 - Produce 1.5 MMTPA of Ethylene - feedstock for MEG, LDPE & LLDPE plants
- Construction activities in full swing for start-up by 3Q FY2016-17

ROGC construction is in its peak phase

ROGC Project – Latest Site Picture



Furnace and pipe rack

Piping and Equipment erection



Overview Petrochemicals Performance



- Low prices facilitating strong demand growth in India
- RIL investment strategy is focused to capture polyester and polymer chain demand growth and ensure feedstock security
- Polymer segment continued to exhibit robust performance with high margins and strong growth across all polymers
- Major tyre customer approvals are expected in 2H FY16 which will increase domestic market penetration
- Commissioning of PTA and upcoming PX capacity will further enhance integration across the polyester chain



Polymer Chain

Business Environment – Polymer Chain



- Sustained increase in demand has been witnessed across the globe, with Asia being the major growth market
 - Asia's Polymer demand share (as a % of global demand) has increased from 48% in 2010 to 53% in 2015
- India is the second largest contributor to Polymer demand in Asia, with demand growth rate ahead of China
- India's polymer market positioned to be one of the largest growth markets globally
 - Expected to grow from 10.5 MMTPA in 2015 to over 15.8 MMTPA by 2020
- Growth drivers to leverage themes of:
 - Increased investment in infrastructure and affordable housing
 - Urbanization and increased consumption of packaged and white goods
 - Agro push to increase farm yields
 - Swachh Bharat Abhiyan

Price Movement – SE Asia



\$/MT	2Q FY15	1Q FY16	2Q FY16	% Change Q-o-Q	% Change Y-o-Y
Oil - Dubai (\$/bbl)	101	61	50	-19%	-51%
Naphtha (MOPS)	899	548	441	-20%	-51%
Ethylene	1484	1409	964	-32%	-35%
Propylene	1282	980	757	-23%	-41%
EDC	439	364	319	-13%	-27%
HDPE	1581	1355	1231	-9%	-22%
PP	1539	1319	1079	-18%	-30%
PVC	1040	869	823	-5%	-21%

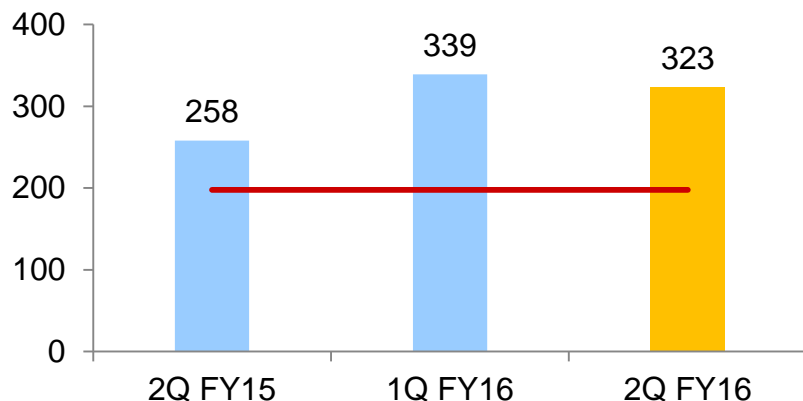
Downward trend in feedstock and sustained demand supported product deltas

Polymer Delta Scenario – SE Asia

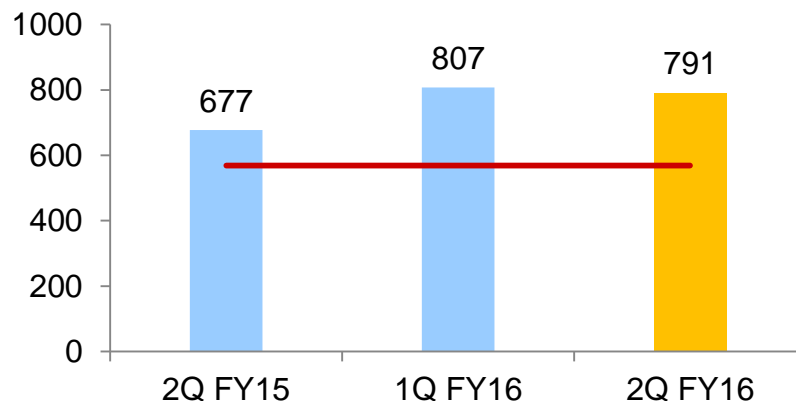


Delta in \$/MT

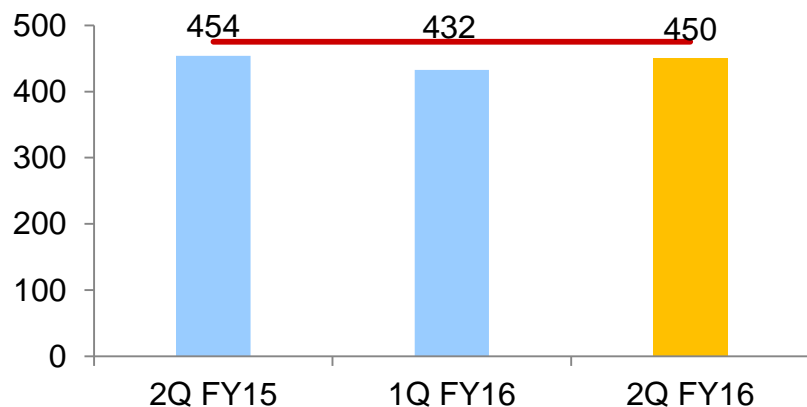
PP- Propylene 5 Year Avg.



HDPE-Naphtha 5 Year Avg.



PVC-Nap-EDC 5 Year Avg.



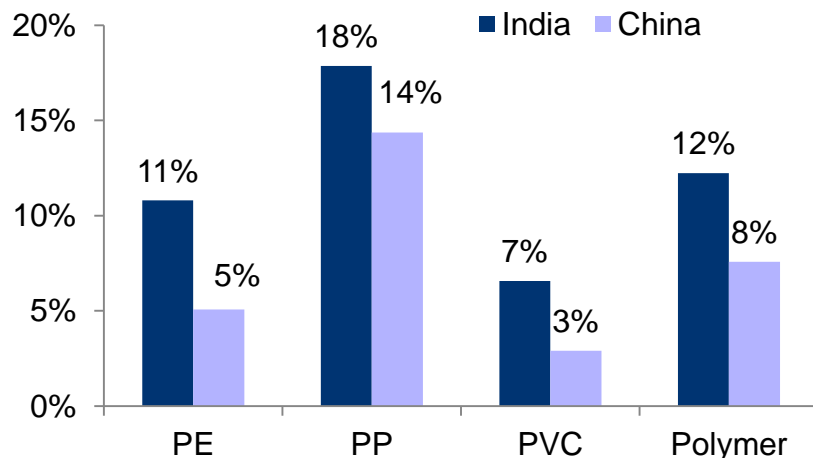
On Q-o-Q basis

- PP deltas continue to remain high due to soft propylene prices on account of incremental supply from new PDH units
- PE deltas continue to remain strong reflecting strength in demand
- PVC deltas improved on account of lower EDC prices – near 5 year average

Demand Growth & RIL Operational Performance



Demand Growth (1H FY16 vs. 1H FY15)*



RIL Production

(in MMT)	1H FY15	1H FY16
PP	1.4	1.4
PE	0.5	0.5
PVC	0.3	0.4
TOTAL	2.2	2.3

1H FY16 Vs. 1H FY15:

- RIL Polymer production was higher by 2% at 2.3 MMT
- Domestic Polymer market share : 36%
- PP segment market share: 53%

India's demand growth rate outpacing that of China across all Polymers

Geo-synthetics – An Infrastructure Enabler



- Market Potential: ~ 150 KTPA
 - Railways Sector (30 KTPA)
 - Road Sector (100 KTPA)
 - Coastal & River Sector (20 KTPA)
- Road Sector
 - Geo-composite as an item for Overlay Application getting incorporated in Indian SORs
 - Polypropylene Geo-composites/ Paving Fabrics for Pavement Overlay Application
 - Woven Geotextiles introduced for Rural Road Projects for Subgrade Stabilization Application
- Railway Sector
 - Polypropylene based Geo-composites / Textile + Grid for Stabilization of Existing Railway Tracks



Establishment of Cost-Benefit ratio to facilitate consumption in infrastructure

Business Outlook – Polymer Chain



- Global Ethylene demand-supply to remain favorable through 2017
 - Start-ups/ Delays of US gas based crackers to impact balance beyond 2018
- Propylene market is expected to remain long in Asia with new capacities being added
- Sustained lower oil prices to improve the cost competitiveness of Asian polymer producers
- Delays in incremental Chinese capacity (CTO/MTO) likely to support margins
- Positive domestic growth trend as witnessed in the last quarter is likely to continue across all major end-use sectors



Elastomers

Business Environment - Elastomers



- Global elastomer demand expected to remain subdued in 2015 – with uncertainty in global demand for Automotive Sector
- Fall in oil price (19%) QoQ forced Elastomer producers to keep lean inventory and cut down operating rates in light of weak market conditions
- In Asia, downstream tyre producers mostly operated at reduced rate
 - Weak tyre export market and decline in vehicle sales and production in China, the world's largest automobile market.
- India is likely to maintain healthier growth in Automotive and Tyre sector

Business Outlook - Elastomers



PBR

- New PBR capacities (~ 200 KTPA) in Asia operational during 1H FY16
- Global demand expected to grow by 3% to 3.5 MMT in FY16
- Demand in India expected to grow by 10% in FY16
- RIL share of domestic demand firmed up based on increased availability of product from new PBR facility at Hazira

SBR

- Global demand expected to grow by 3%
 - Asian demand likely to grow at CAGR of 4.5% over 2015-20
- Indian SBR market estimated to grow by 8% in FY16
- RIL has taken trials of a few new grades and is in process of stabilizing operations of new 150 KTA of E-SBR plant at Hazira – reducing India's import dependency
- Customer approvals expected in second half which will enhance market penetration

Elastomer operating environment likely to improve in near future as prices seem to have bottomed out



Polyester Chain

Business Environment: Polyester Chain



- Volatility in crude oil prices resulted in cautious downstream buying
- Asian polyester producers currently working on low inventories
 - Better discipline helped producers to maintain pricing power, aiding margins
 - PSF consumption in US remained healthy
 - Healthy demand for finer non-wovens in Europe
- Strong gasoline markets restricted PX feedstock availability for non integrated players
 - Price differential with USA aided exports to the region
- PTA markets showing signs of stability
 - Rationalization to reap scale economics may be aided by sense of margins bottoming out
- MEG markets remained balanced with improved margins
- PET demand remained healthy in western economies. Margins witnessed strength
- Global cotton prices remained steady amidst estimates of lower crop size this year, remaining supportive for polyester

Price Movement – NE Asia



\$/MT	2Q FY15 Avg.	1Q FY16 Avg.	2Q FY16 Avg.	% Change	
				Q-o-Q	Y-o-Y
Oil - Dubai (\$/bbl)	101	61	50	-19%	-51%
Naphtha (MOPS)	899	548	441	-20%	-51%
PX	1,350	924	826	-11%	-39%
PTA	1,007	742	634	-15%	-37%
MEG	972	943	771	-18%	-21%
POY	1,564	1,197	1,044	-13%	-33%
PSF	1,383	1,144	1,031	-10%	-25%
PET	1,315	1,074	950	-12%	-28%

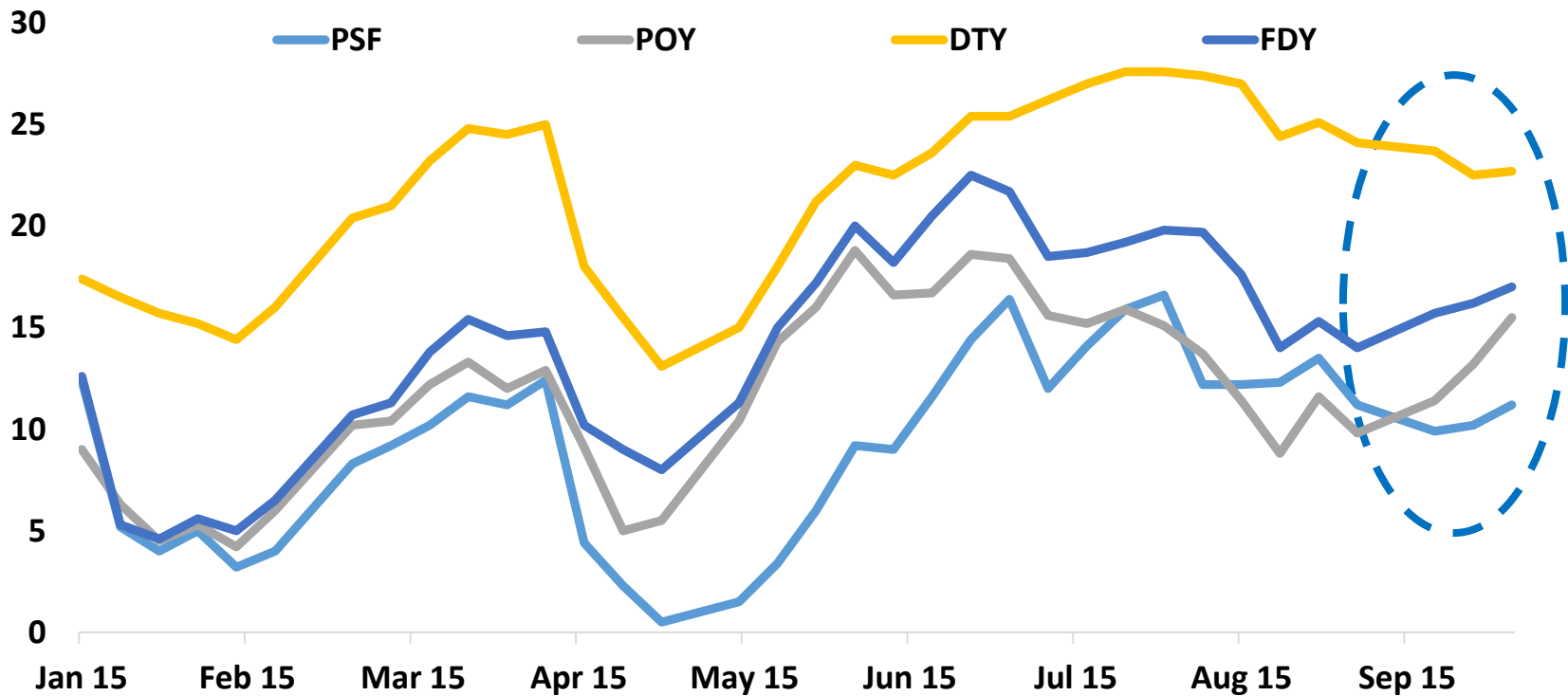
Lower relative price decline in polyester products, supporting chain margins

Chinese Inventory Dynamics



No. of days

Chinese Inventory (Days)

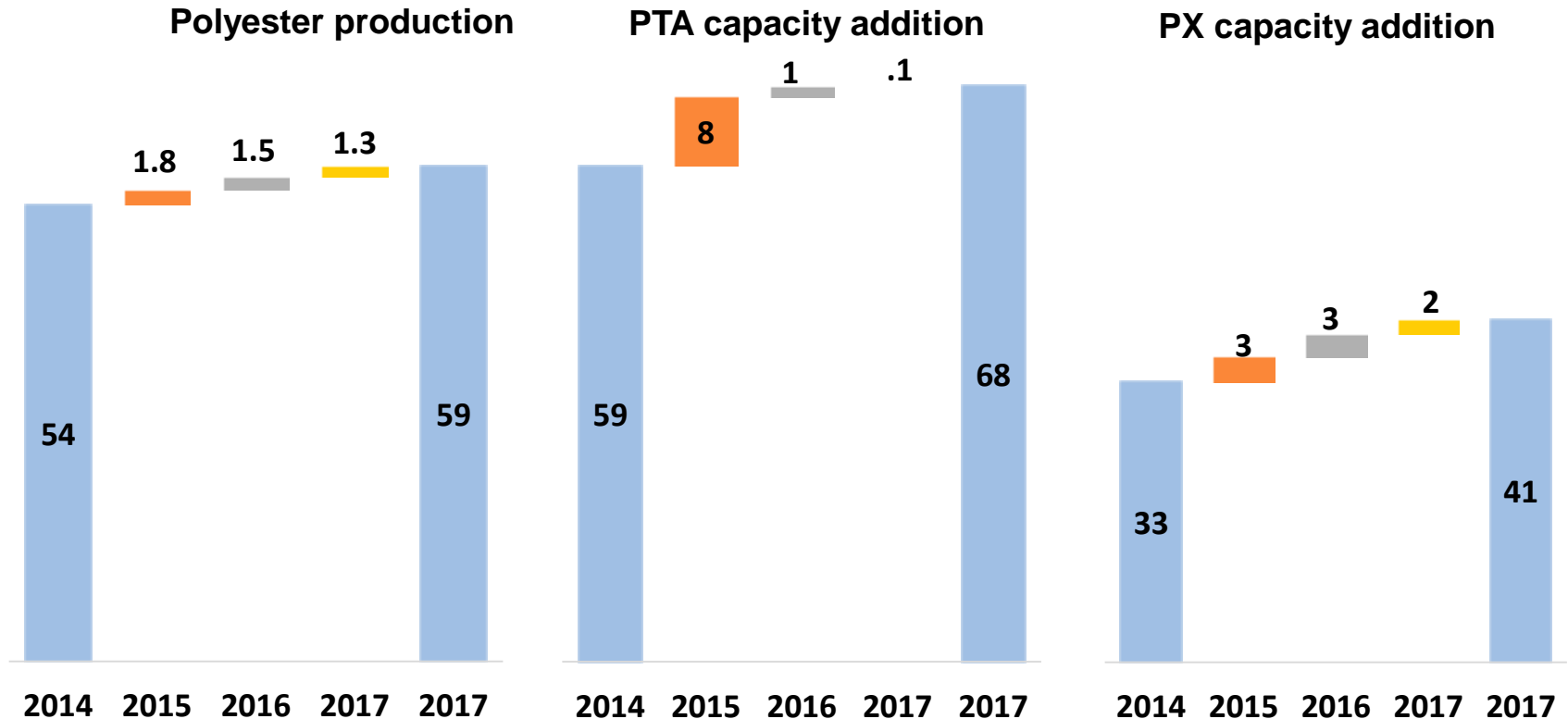


Inventory drawdown to improve margins with markets strengthening

Asian Polyester Chain (2014-2017)



(In MMTPA)

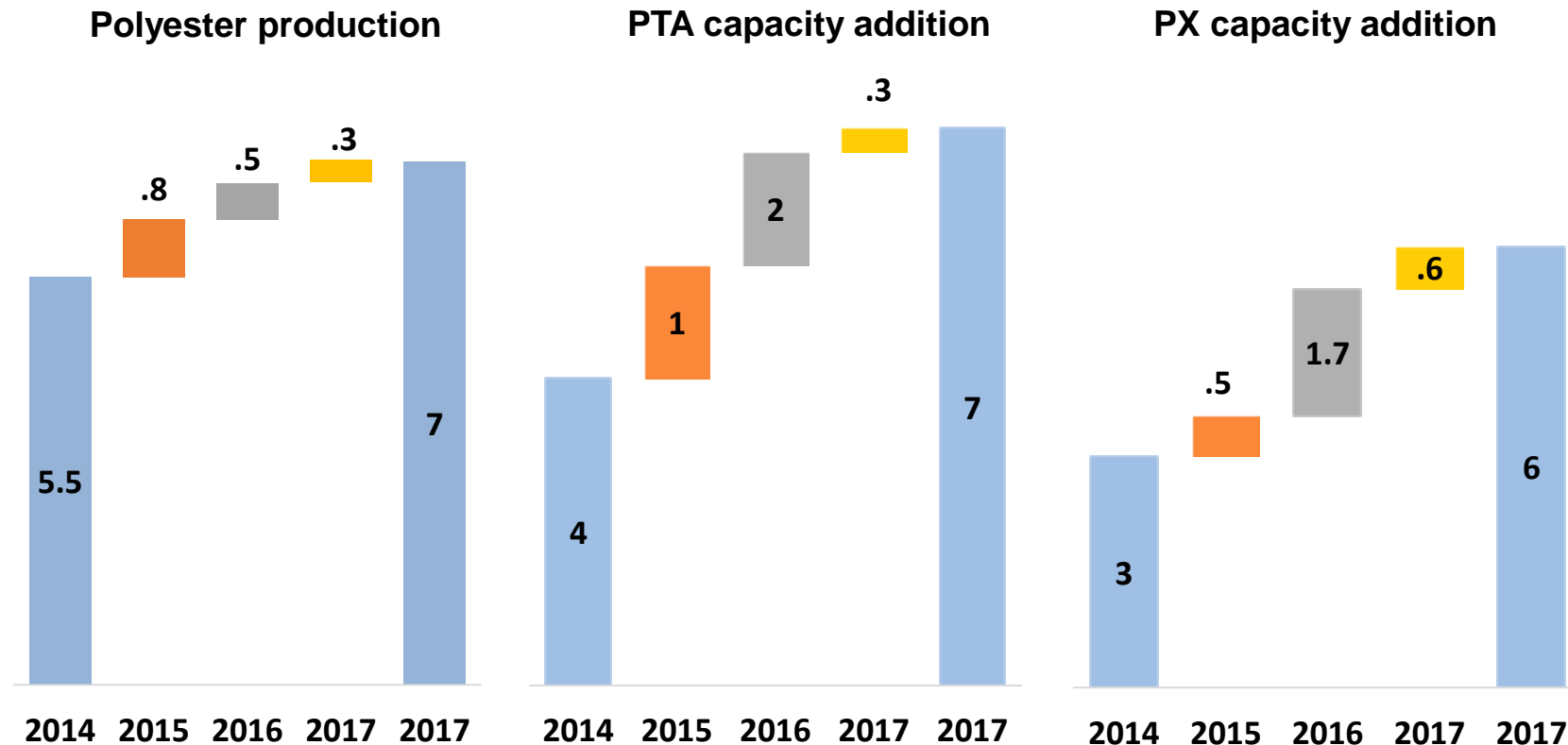


- Steady polyester growth and slower PTA capacity additions through 2017 to aid Asian margins
- PX feed economics will continue to be governed by refinery integration, alternate feedstock dynamics
- Liquidity crisis may lead to rationalisation and closure of unviable capacities

India Polyester Chain (2014-2017)



(In MMTPA)



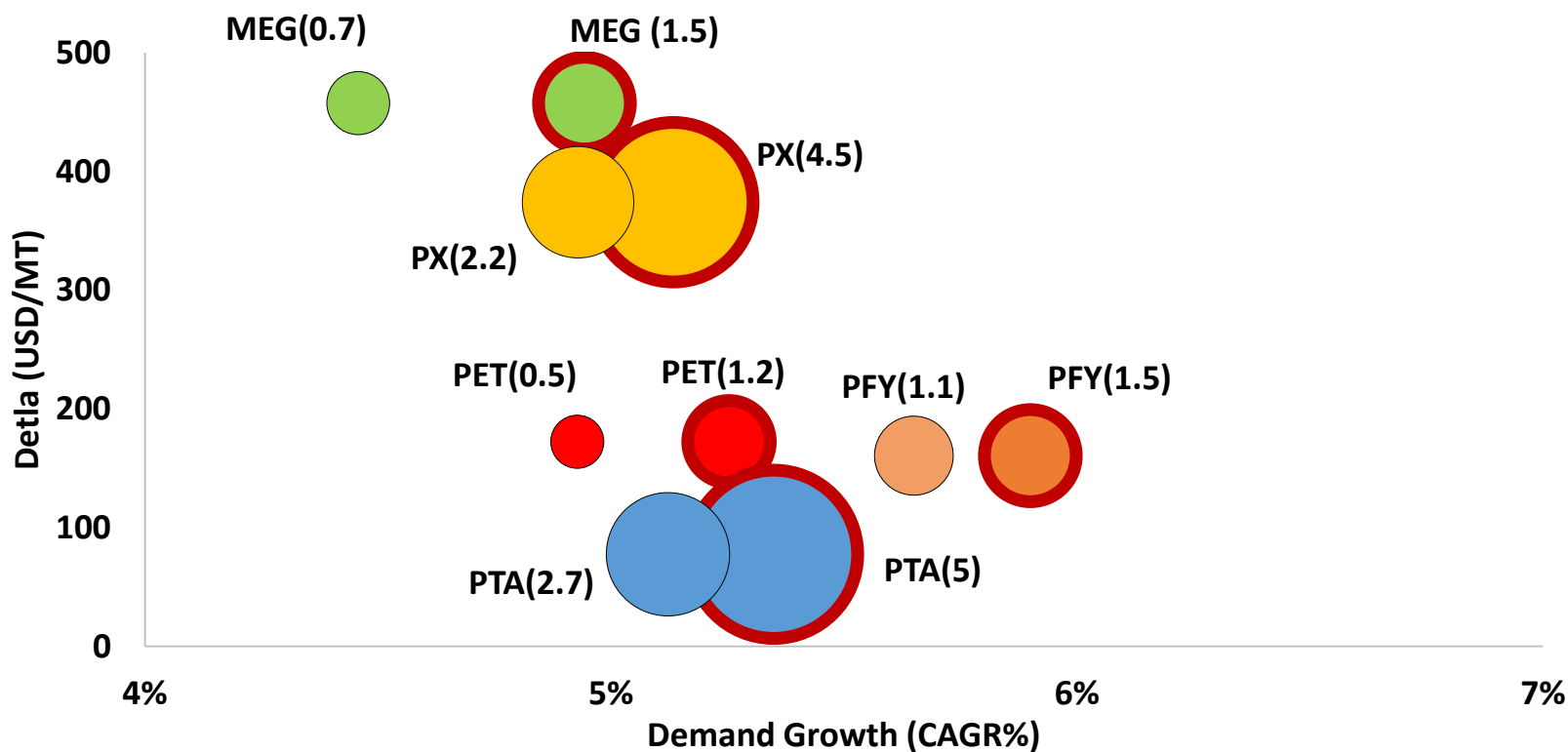
- Adequate feedstock availability to secure capacity growth
- Strengthening of Make In India initiative by the Government

RIL Expansion for Strategic Growth across Polyester Chain



- RIL Capacity before expansion at 2010-15 demand growth levels
- RIL Capacity after expansion to meet 2015-20 demand growth

Polyester & FID Growth Pre & Post Expansion

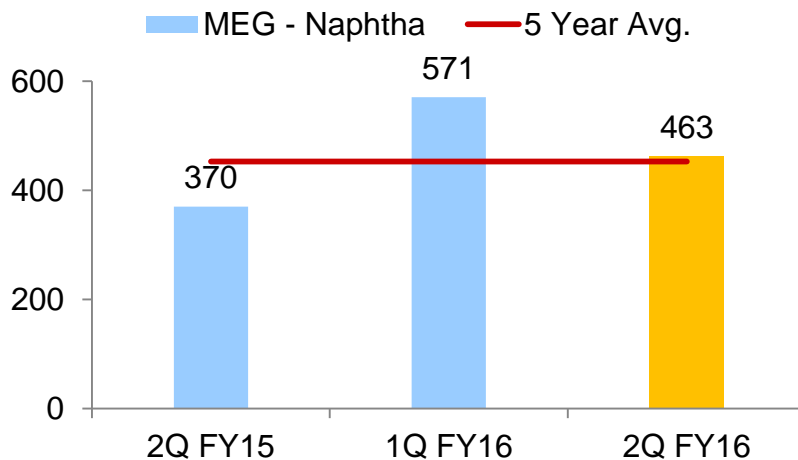
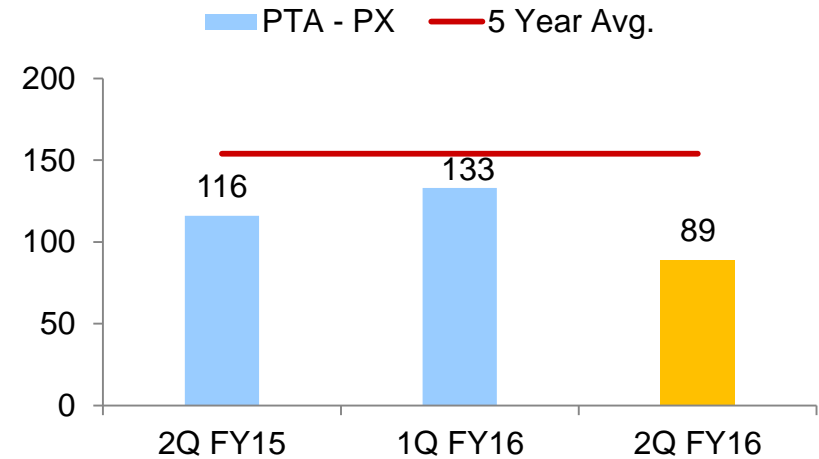
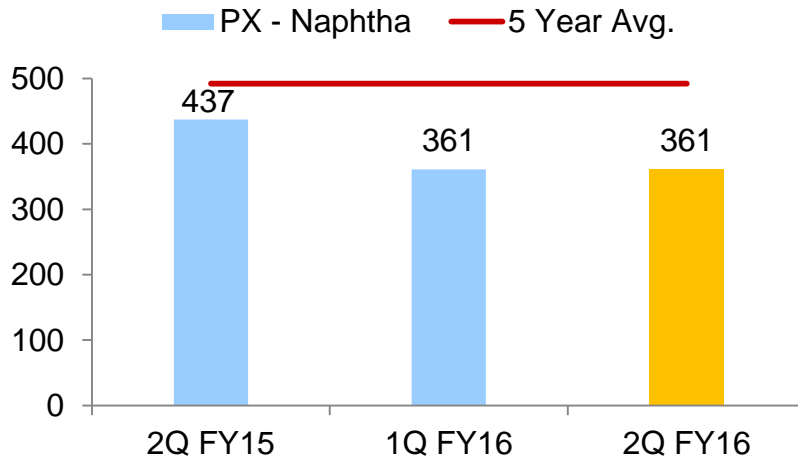


Investment strategy is focused to capture polyester chain demand growth and ensure feedstock security

Intermediates Delta Scenario



Delta in USD/MT

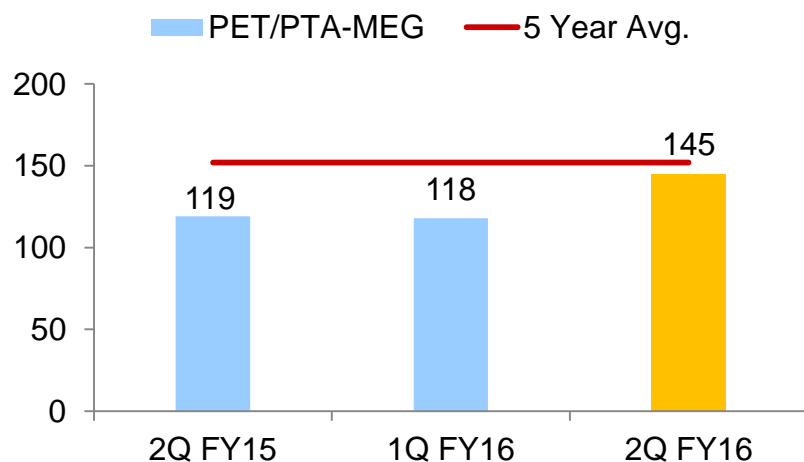
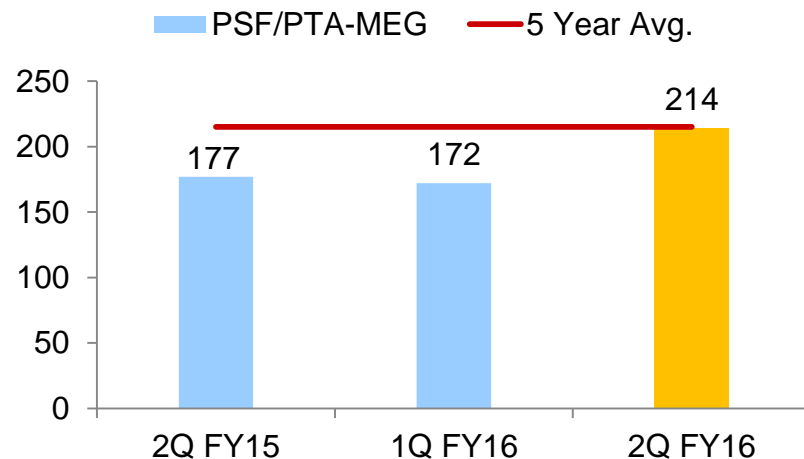
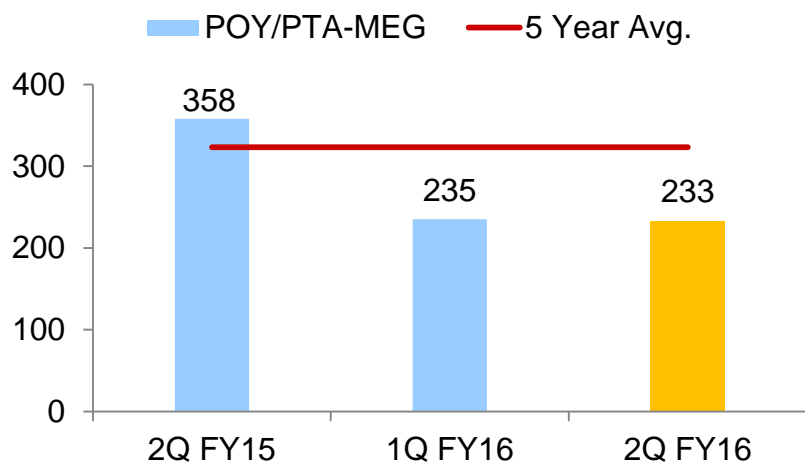


- PX operation rationalization helped maintain margins
- PTA delta impacted by slow down in Chinese polyester demand amidst over supply
- MEG markets remained balanced, aiding healthy margins

Polyester Delta Scenario



Delta in USD/MT



- Lower polyester prices supported demand growth
- Polyester margins approaching long term average
- Domestic share of PET improved

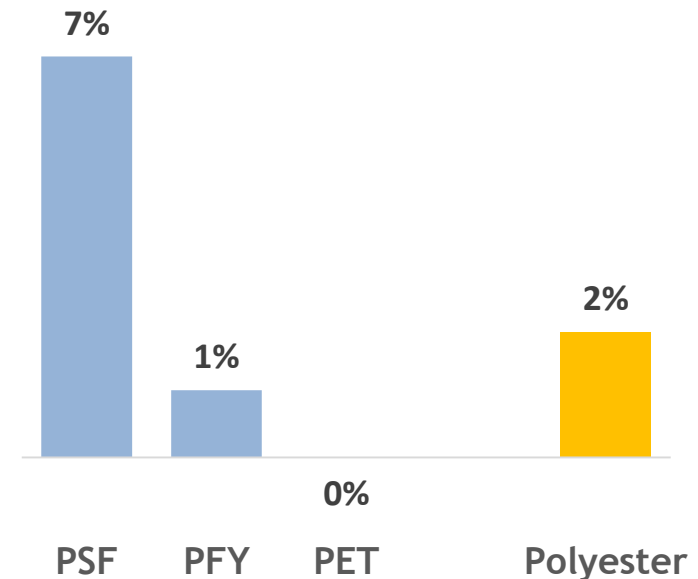
Domestic Polyester Demand



■ Polyester markets witnessed slower than expected growth

- Liquidity crunch remained a major setback to buying decisions
- Demand started to surface for winter wear
- Power situation in south India has improved, aiding PSF demand. Substitution of cotton and r-PSF has also helped
- PET demand subdued due to seasonality
- Industry exports improved amidst weakening currency and competitive pricing

Demand Growth
1H FY16 Vs. 1H FY15



RIL Operational Highlights



Production (KT)	1H FY15	1H FY16	Production (KT)	1H FY15	1H FY16
PX	1046	1152	POY	434	392
PTA	1026	1418	PSF	308	304
MEG	323	357	PET	199	359
TOTAL	2395	2927	TOTAL	941	1055

- Higher YoY intermediates production owing to PTA plant start up and PX turnaround last year
- PET exports increased and consumer bases established capturing high growth markets

Business Outlook – Polyester Chain



- Lower prices across the polyester chain has improved the competitiveness
 - Supporting end use substitution in textile applications
- Gradual growth in western economies is likely to keep the demand improving steadily
- Supportive Govt. policies and healthy domestic growth to aid polyester consumption in value added markets
- Global markets continue to witness rationalization of uncompetitive assets across the chain thus aiding overall chain profitability in the long run

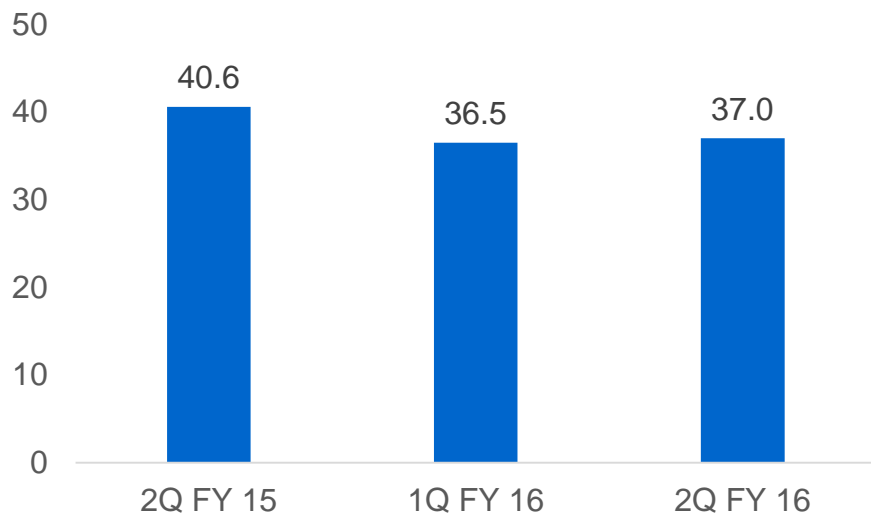


Oil and Gas – Exploration and Production

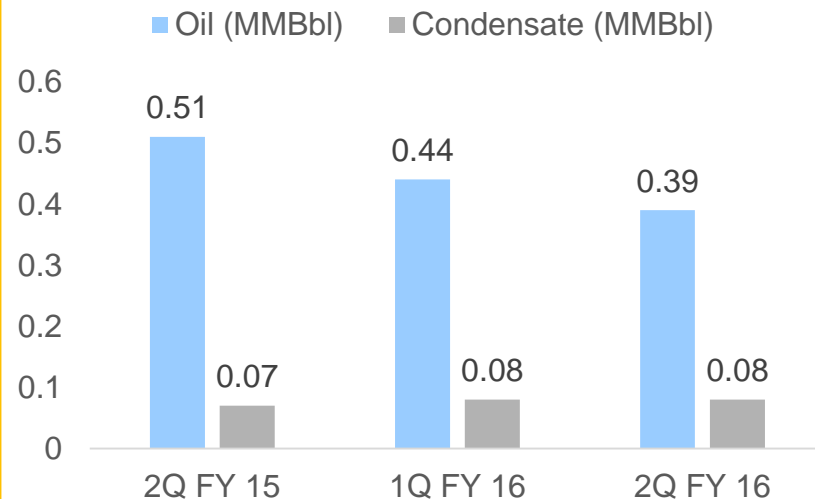
KG-D6 – Production Update



Gas (BCF)



Oil & Condensate (mmbbl)



- KG-D6 averaged at 11.4 MMSCMD of gas and 5,056 BOPD of oil/condensate
- Production remained flat on QoQ, however declined YoY due to natural decline in the fields with sand & water ingress in MA field and water influx in D1-D3 field

- Average crude oil price realization for the 2Q FY16
 - Oil – \$45.8/bbl (vs. \$ 94.9/bbl in 2Q FY15)
 - Gas – \$4.66/MMBTU on GCV basis

KG-D6 – Key Project update



D1-D3

- Production augmentation through activation of ceased wells
- D1-D3 Work-over campaign: Well B7 and A1 put on production in July 2015; Combined production from both the wells is currently ~1 MMSCMD
- Production sustenance of D1-D3 through Well(s) management to mitigate risks of ceasure due to water influx

D26

- Production sustenance through existing well stock; further options to augment production being studied

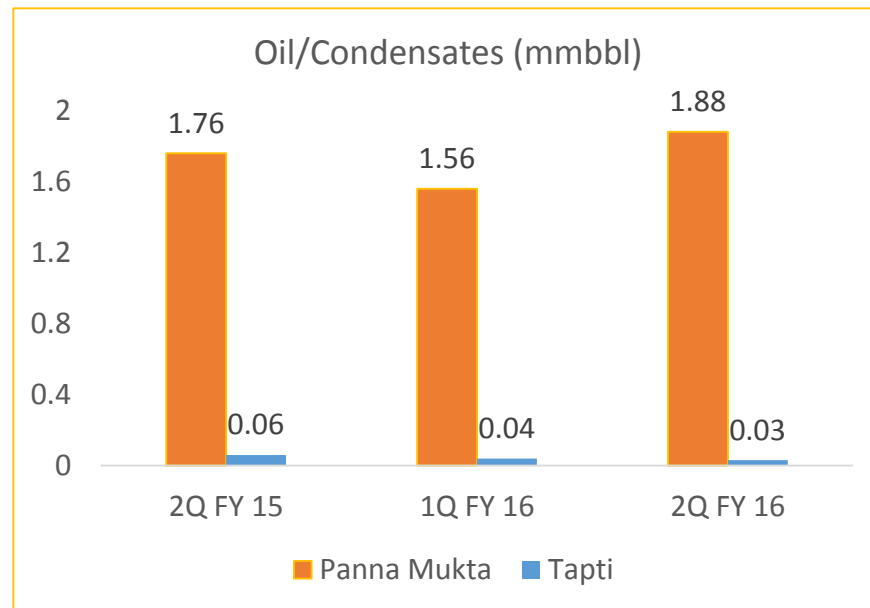
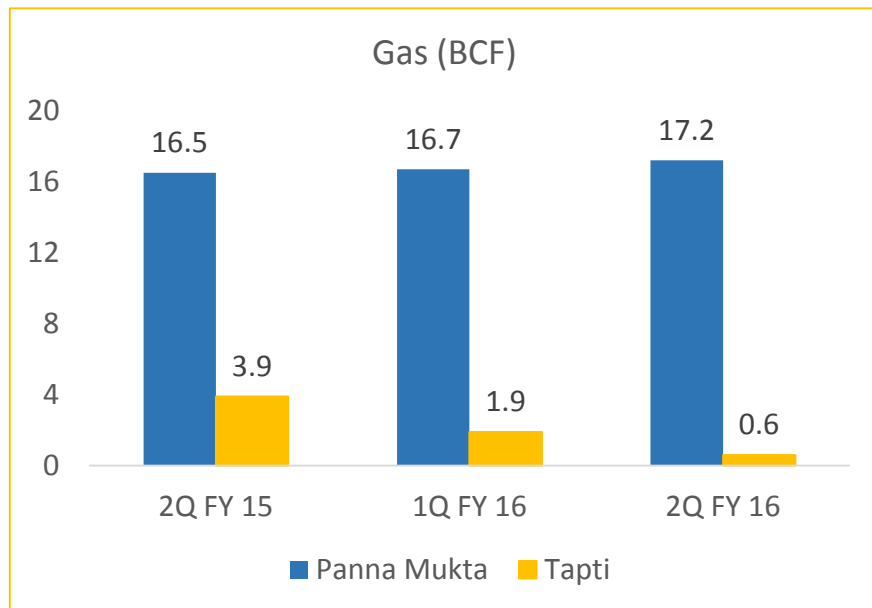
D55 (MJ) Appraisal

- Appraisal activities are currently underway
- Broadband data processing and Engineering studies are nearing completion

Integrated Satellite Development

- As per the well testing policy, Contractor has opted to undertake DST in discoveries D29 & D30
- DST operations has confirmed Contractor understanding of flow potential and other reservoir parameters
- Efforts underway for submitting DoC for the discoveries D29, D30 based on integrated development concept

Panna-Mukta & Tapti – Production Update



- Production from Tapti lower on account of natural decline
 - Production from Tapti field is expected to cease in 3Q FY16
- Higher production in Panna-Mukta mainly due to restoration of Mukta-A and better than expected gains from work over wells

- Panna Mukta average realization for 2Q FY16
 - Oil – \$53.95/bbl (vs. \$ 106.3/bbl in 2Q FY15)
 - Gas – \$5.73/mmbtu
- Tapti average price realization for the 2Q FY16
 - Gas – \$5.57/mmbtu

Other Block Updates



■ Panna-Mukta :

- 5 work overs have been planned in 2H FY16; expected incremental gain ~1,000 BOPD
- Techno-economic feasibility study in progress for additional infill wells in Panna-B-zone and Mukta-B area for drilling in FY17/18
- Commissioning of MB facilities completed 1Q FY16; Drilling of MB wells is in progress and likely to be completed by end of 3Q FY16

■ NEC-25 : Drilling and DST program in D32 discovery has started in Oct'15

■ CY-D5 : Resource assessment job awarded in 2Q FY16

■ CB-10 :

- 8 Discoveries - FDP under preparation & discussion with Partners.
- Expected submission of FDP to MC by end 3Q FY16
- Phase-II exploration - Land acquisition for exploratory well sites in progress

CBM – Field Development



Start-up plan

- Phase-1 development nearing completion; First gas expected by end 3Q FY16
- 105 number of well-sites handed over to operations and are ready to flow in gas

Development Program

- Drilling of more than 200 wells, construction of two Gas Gathering Stations and 8 Water Gathering Stations in Phase-1

Infrastructure Roll-out

- GGS 11
 - Mechanical completion of GGS 11 is completed and RFSU is expected by mid 3Q FY16
 - Drilling and completion of wells completed
 - Four WGS completed
 - Infield pipeline laying completed
- GGS 12
 - Construction activities and installation of most of the equipment(s) completed
 - > 65% of production holes drilled
 - work is in progress for four WGS
 - pipeline laying activity under progress

CBM Field Development – Progress Photograph



CBM – Pipeline Progress



- Shahdol - Phulpur pipeline is expected to get completed by 3Q FY16
- RoU for total scope of 302 km is handed over to pipeline construction contractors
 - Total 299 Km of pipeline laying activity completed
- All river and canal crossings are completed
- Procurement, ordering & construction contract award completed
 - All major packages delivered at site
- Compressor Station installation and other construction work is under progress





Shale Gas Business

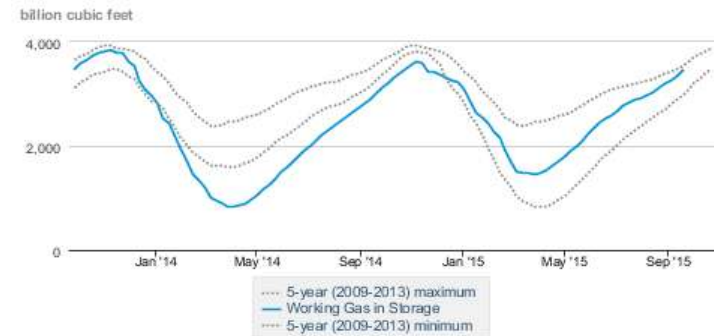
Price Environment: Natural Gas



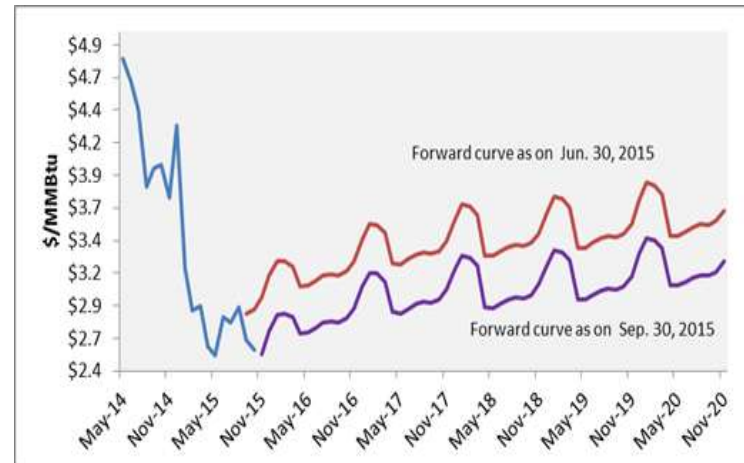
- US gas production stable around 72-73 Bcf/d in 3Q'15
 - NE US production still growing, but decline in other regions
- Exports to Mexico on rise; Gas power burn at all time high (of 38.6 Bcf/d) in Jul'15
- HH prices range bound (at \$2.50-\$3.00/MMBtu) on expectation of mild winter and high storage levels
 - Average HH up 2% QoQ at \$2.76/Mmbtu in 3Q'15, but down 32% YoY
- Gradual improvement expected from 2016
 - Declining capital spending by producers to impact growth
 - LNG & Mexican exports to add additional demand
 - Coal plants retirement and pick-up in industrial demand
- Differentials remain challenging in NE US; average ~\$1.48/MMBtu in 3Q'15
 - Pricing to find support in coming quarters as take-away capacities begin to rise (3.5 Bcf/d to be added) by YE'15

US Natural Gas Inventory Levels (Bcf)

Working natural gas in underground storage



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



Price Environment : WTI & NGL



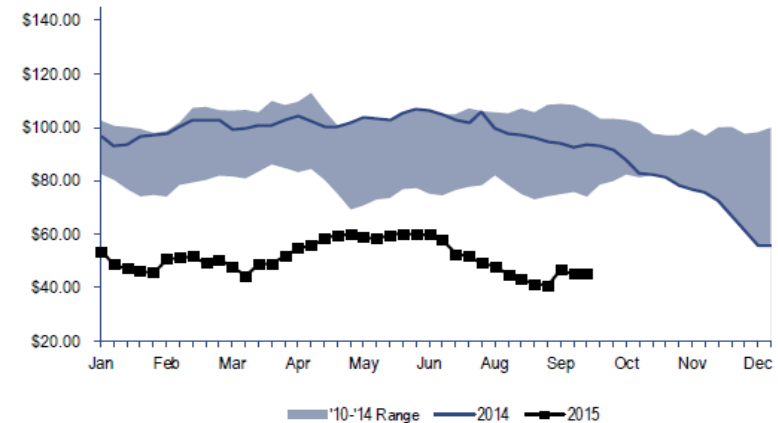
WTI:

- Prices remained volatile and settled sharply lower.
 - WTI averaged 20% lower QoQ at \$46.4/Bbl in 3QCY15; down 52% YoY
- Strong OPEC supplies (led by Saudi & Iraq), negative macro news (China & Iran) and impending refinery maintenance season weighed on prices
- Expectations of more balanced outlook growing:
 - US production already showing signs of decline
 - Industry capex expected to be cut further in 2016

NGL:

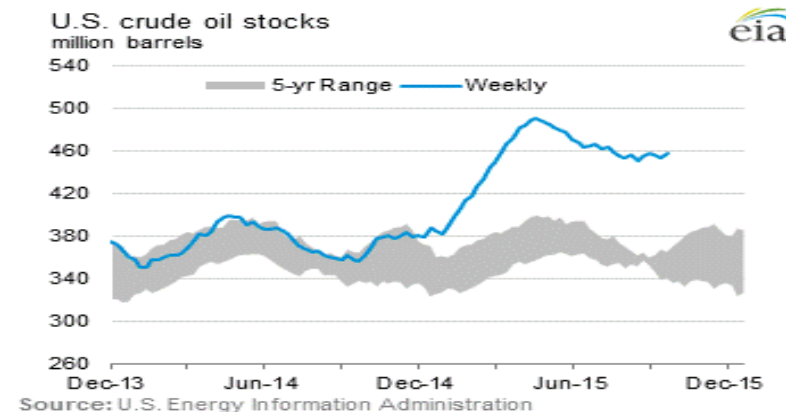
- Realization dropped 23% QoQ to \$12.2/Bbl in 3Q'15
- Sharp fall in Propane prices on high inventories, despite a record export from US.
- NGL basket to find support with likely improved seasonal demand for Propane–Butane for heating and gasoline blending respectively.

WTI Crude Oil Price



Source : EIA, Citi Research

Burgeoning Crude Oil Inventory



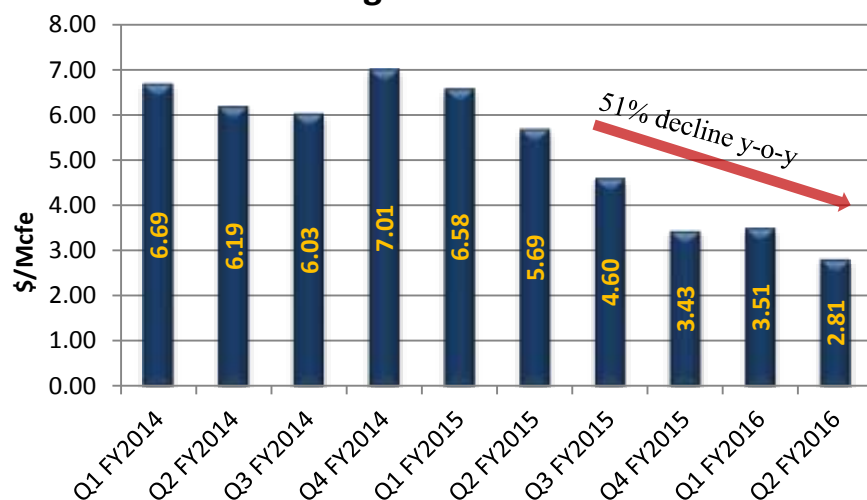
Business Performance Highlights



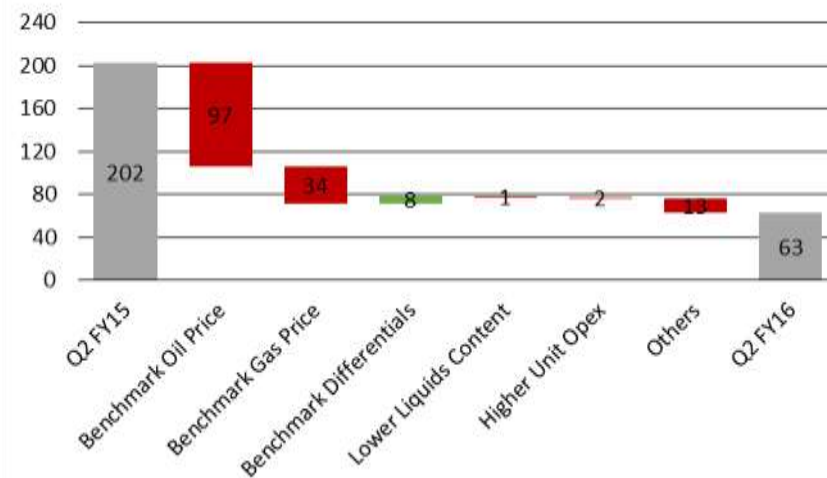
	2Q FY16	1Q FY16	2Q FY15	% Chg. Vs. 2Q FY15	1HFY16	1HFY15	% Chg. Vs. 1HFY15
Production (Bcfe)	51.0	49.3	49.8	2%	100.3	98.4	2%
Revenues (\$ MM)	117	141	244	-52%	258	514	-50%
EBITDA* (\$ MM)	63	86	202	-69%	149	403	-63%

*Excludes EFS gains in 2Q FY16

Average Realisation



EBITDA Walkdown - YoY



- Financial performance impacted by sharply lower realization, both on YoY and QoQ basis
 - 20% Lower WTI and 16% higher NE gas differentials led to 20% lower realisation QoQ
- Volume growth modest due to lower production at Pioneer and volume curtailments at Carrizo
- Focus remains on growing asset values through disciplined investment and realizing efficiency gains

Financial & Operating Performance



Rationalized Capex under Macro Headwinds

- **Financial performance suffered on sustained pricing pressure**
 - Low oil prices and high gas differentials in NE
 - Unit realizations at \$ 2.81/Mcfe, down 20% QoQ and 51% YoY
 - Revenue down 17% QoQ on prices, partly offset by 3% higher volumes
 - Despite lower opex across JVs, EBITDA lower by 27% QoQ
- **JVs effectively dealing macro headwinds through capex and activity reduction**
 - Capex of \$209 MM in 3Q'15 is 24% lower QoQ and 33% lower YoY
 - No drilling at Carrizo JV; only one rig at Chevron JV; and doing '*more-for-less*' at Pioneer
 - Liquidating well inventory to bring wells online. 68 wells hooked up, 41 wells drilled in 3Q'15

Strong Operational Trend Continues

- **Production trends stable, despite curtailments**
 - Avg. gross production rate up 4% QoQ to 1,258 Mcfe/d, compared to 1,211 Mcfe/d in 2Q'15
 - Chevron volume performance remained strong
 - Pioneer volumes impacted by new completion initiatives to reduce cost; now requires corrective measures
 - Production curtailed at Carrizo to preserve value
 - Smooth transition from Pioneer to Enterprise operations of EFS Midstream
- **Costs down across the board**
 - Services costs being renegotiated given weak markets; Thrust on D&C efficiency continuing
 - Normalized well costs at present are 18% and 24% below 2014 averages, in Chevron and Pioneer JVs respectively
 - Absolute opex lower QoQ. Thrust on lowering G&A and LOE continues

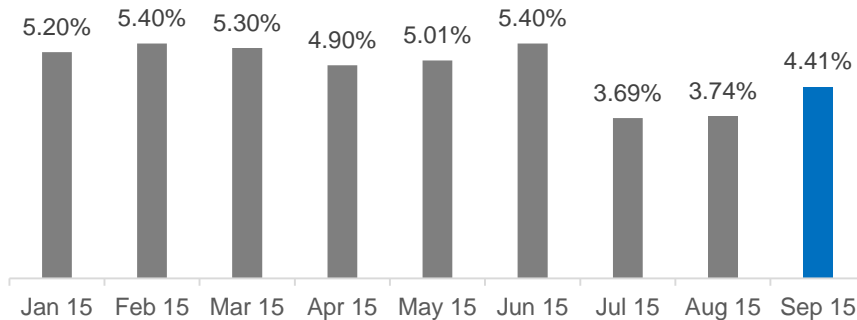


Reliance Retail

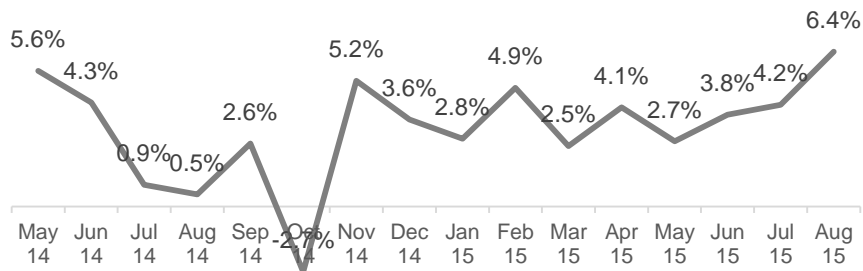
Macro Economic Overview



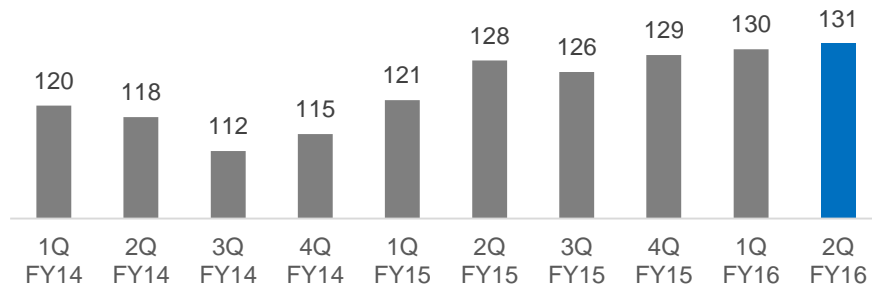
Retail Inflation (CPI)¹



Index of Industrial Production¹



Consumer Confidence Index - India³



- Retail Inflation moderated to 3.66% in August 2015 from 5.40% in June
- RBI reduced its policy repo rate by 50 bps to 6.75% at its policy review in September to push economic growth
- IIP for the month of July, 2015 improved to 4.2% from 2.7% in the month of May
- India remained at the top of Nielsen's global consumer confidence index for the fifth quarter in a row
- However, uneven south west monsoon, tepid aggregate demand and global growth slowdown poses challenges to the economic recovery

Key Highlights - 2Q FY16



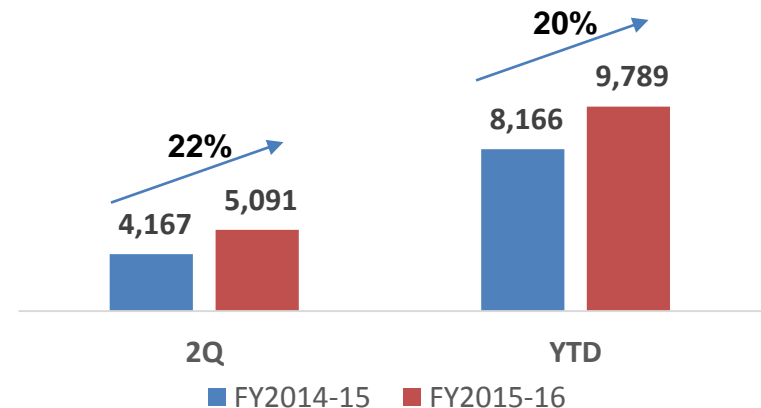
- 2Q FY16 turnover at ₹ 5,091 crore, up 22% Y-o-Y
 - LFL growth of up to 16% across format sectors
 - Record quarterly PBDIT of ₹ 210 crore, up 13% Y-o-Y
- 1H FY16 turnover at ₹ 9,789 crore, up by 20% Y-o-Y
 - 1H FY16 PBDIT of ₹ 413 crore, up by 16% Y-o-Y
- Overall growth momentum and expansion in focus sectors is on track for the year
 - Net addition of 110 stores during the quarter
- Robust growth in contribution of private labels to overall sales help boost profitability

Performance Overview

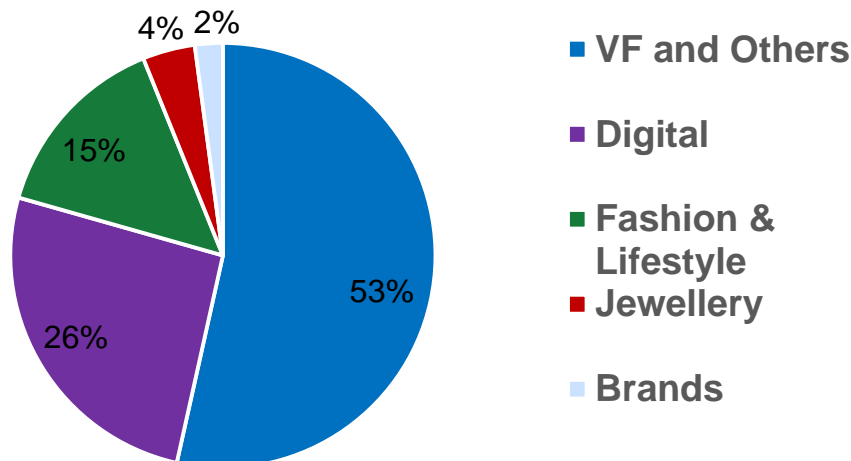


- 2Q FY16 turnover of ₹ 5,091 crore, up 22% Y-o-Y
 - Across the board growth from core focus sectors of Digital, Fashion & Lifestyle and Value formats continue to drive growth
- 2Q FY16 PBDIT margin of 4.1%

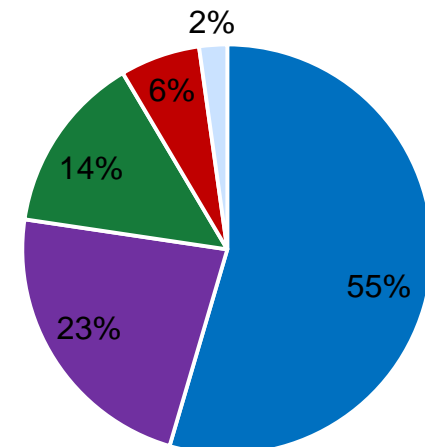
Reliance Retail Turnover (Rs Cr)



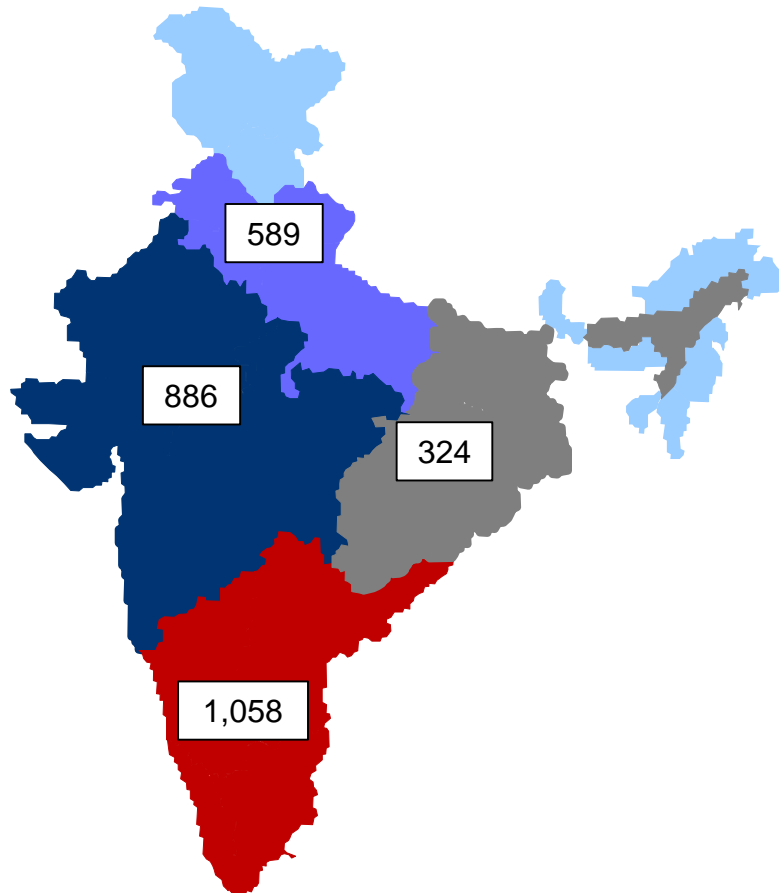
Turnover Mix – 2Q FY16



Turnover Mix – 2Q FY15



Pan-India Store Network



Store Count by Format Sector

	June 30, 2015	Sep 30, 2015
Jewellery	53	53
Brands	112	118
Digital	1,298	1,379
Fashion & Lifestyle	662	697
Value & Others	622	610
Total	2,747	2,857

Pan-India retail footprint of over 12.8 million sq. ft.

Value Formats



- Core food business continues to deliver strong performance
 - ~500 MT of fruits and veg sold daily
 - ~4,000 Ltrs of milk sold every operational hour
- Healthy basket size, mix and a strong portfolio of private labels helps boost profitability
- Reliance Fresh Direct offers a differentiated value proposition to existing as well as new customers
- Reliance Market - the largest cash & carry format in India with 47 stores, present in 12 states, 36 cities, serving 1.7 million customers
 - Contribution of private label sales at 14% vis-à-vis 8% during same period last year



Digital



- Reliance Digital continues to be the preferred authority and destination for technology products and services
- Fortifies retail presence with 1,379 stores across 225+ cities
- Continued momentum of new store opening. Net store addition of 81 stores in the quarter
- Strong focus on bringing latest devices and emerging technology fueling growth
 - Exclusive partnership with Acer for Windows 10
 - Bringing wearable technology, health and fitness and connected home solutions closer to Indian consumers



Fashion & Lifestyle



- The sector reported strong growth of 25% in 2Q FY16 compared to same period last year. The sector now contributes 15% of over all retail business
 - LFL growth up to 14% across all formats
- Strengthening kids wear segment with launch of Point Cove across 150 stores in partnership with Cherokee
- Own brand contribution at 70%; Operating onshore and offshore design centers to capture latest fashion trends
- M&S was awarded with the “Most Admired Retailer of the Year – Employee Practices” by IMAGES Retail Awards, 2015



Brands



- Strong revenue growth of 17% in 2Q FY16 compared to same period last year.
- Launched Juicy Couture, a contemporary casual wear and dress clothing women's apparel brand in India, with 2 stores
- Announced exclusive long term partnerships with Centaurus lifestyle brands bringing Ed Hardy innerwear brand in India
- Large untapped opportunity in women's category
 - Reliance serving the gap through tie-up's with BCBG, Juicy Couture, Hunkemoller & Steve Madden



Jewellery



- Positive impact on the volumes of the jewelry business
 - Gold prices hit four year lows in July 2015 and have now stabilized
 - Gold supplies have also improved due to lifting of import restrictions
- Received revised Nominated Agency Certificate for import of precious metals under the new Foreign Trade Policy 2015 -2020
- Design bank of more than 50,000 designs
- Received an award in the mid design category in the inaugural Retail Jewellery Guild Awards 2015



Fashion E-Commerce



Curated fashion & lifestyle commerce on track for launch

- Technology platform being tested and stabilized
- Strong product portfolio coming together
 - A wide portfolio of private label styles in place
 - Large number of external brands signed and on-boarded
 - Exclusive partnerships with international brands from Singapore, Australia, Russia, Switzerland, China and Turkey
- Core infrastructure and ancillary support systems in place
 - State-of-the-art warehousing facility in place, order fulfilment and automation tools under testing
 - Logistics ecosystem in place



Market Place Platform



Market place platform empowering small and medium retailers

■ Electronic Retailers

- Platform ready for deployment
- Roll out plan starting with 30,000 retailers; reaching up to 150,000 by year end

■ Grocery Retailer (Kirana)

- Order management and fulfilment infrastructure in place
- Rollout planned progressively in 4Q FY16



Reconnect Brand



- Introducing a wide range of products under Reconnect brand
 - Products ready for distribution from festive season
 - Creating a wide reach of over 30,000 retail outlets



Reconnect Product Categories



Imaging



Protection



Wearable's



Power



Car Accessories



Health & Fitness



Storage



Audio



Smart Homes



LYF – True 4G Smartphone



- Ready to introduce a wide range of True 4G smartphones under 'LYF' brand
- LYF will enable users experience true 4G:
 - Voice over LTE (VoLTE)
 - Voice over Wi-Fi (VoWi-Fi)
 - HD Voice and HD quality video calling
- A wide range of smartphones – from premium to affordable True 4G handsets
- LYF will help in driving the device ecosystem in India and support the digital technologies to be introduced by Jio
 - LYF will be available through a robust nationwide distribution and retail network with the widest reach
- LYF to tap into fast growing Indian smartphone market, projected to reach 160 million units by the year 2016-17



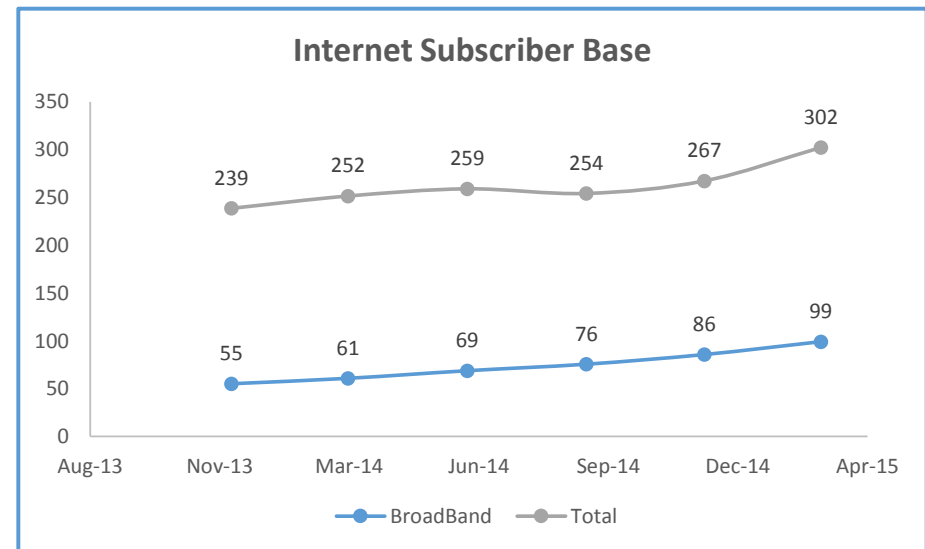


Digital India Opportunity Getting Stronger...



- India has the second largest number of internet users in the world
 - Latest estimates at over 300 million
 - The rate of growth has surprised everyone

- Appetite for data consumption is high
 - Highest proportion of young population
 - Rising size of middle income group of population (projected to be over 550mn in next 10 years)
 - Rising per capita income levels



- However infrastructural bottlenecks remain and penetration of broadband is still very low
 - India was ranked 131st in Fixed Broadband penetration and 155th in Mobile Broadband penetration in State of Broadband 2015 report of Broadband Commission (ITU and UN)
 - Limited investment made by the existing eco-system players

Jio Working on the Entire Eco-system



**Voice
(VoLTE, VoWifi)**

Video

Messaging

**High Speed Internet
(Mobile, FTTH)**

Communication

- Social
- Sharing
- Voice
- Text / video / photos
- Seamless device data transfer



Media / Entertainment

- News
- Video on Demand
- Music
- News and Magazines
- Own content (Network 18)
- Internet TV



Cloud Services

- File Storage
- Picture Storage
- Enterprise Cloud Services
- Digital Locker
- Government facilities



Commerce / Payments

- Goods
- Services
- Local



Others

- Government services
- M2M
- Internet of Things
- Broadcast solutions
- Security/ Surveillance
- Gaming



Data science / Analytics / Data management / Data centers

Payments / Subscriptions / Loyalty programs / Merchant Services



Advertising – technology / sales

Logistics / Delivery

Network

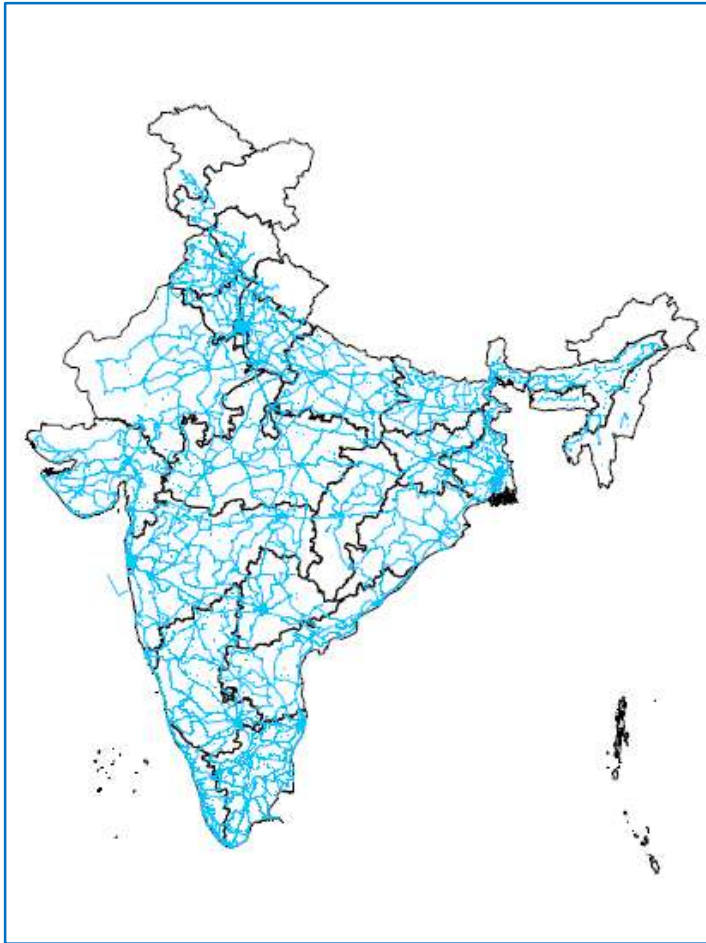
Devices

Fibre

Jio Centre



Jio is Creating World Class Infrastructure



- Largest holder of liberalised spectrum at 751MHz
 - Have filed intimation to DOT for sharing of spectrum with RCOM in 800MHz band in 7 circles
- Largest deployment of end-to-end all-IP network in the world
- Network of nearly 250,000 route km of fiber optics
 - Future proof digital backbone for a full IP network
 - Fiber footprint to be doubled in 3 years
 - Roll out of last mile fiber to address FTTH
- Towers: Over 75,000 eNodeB across the country
 - All the towers have EB connectivity and battery back-up
- Data centers: 0.65mn sq ft of data center capacity across three locations to be operational by launch
 - To be expanded to over 1.5mn sq ft in the next 3 years



Differentiators



1	• Pan India LTE/LTE-Advanced networks – 2300Mhz, 1800Mhz, 850Mhz
2	• LTE Coverage in Cities, Towns, Blocks, Gram Panchayat, Villages
3	• Building All-IP Network – path for SDN/NFV evolution
4	• Building un-paralleled scalability and resiliency in Jio Network – ready for data tsunami
5	• Deep Fiber in the nation – NLD and Top 887 Cities
6	• FTTX coverage in top 800 cities
7	• Big Data analytics as the new firewall – personalization is key for DATA
8	• Cloud Ready – Next generation services deployment
9	• Advanced Products – VoLTE, VoWiFi, Video, Messaging, High Speed Internet
10	• Jio digital services – Video on demand, Personnel Cloud, Money, Health....

Progress...



- Jio has substantially completed network roll-out across the country
 - Network is currently being tested and optimized
 - Business platforms have been rolled out; being tested in limited use environment
 - Large number of testers have been employed across the country to facilitate extensive validation of network and business platforms
 - Initial results have been positive
- RJIL and RCOM have filed intimation to DOT for sharing of spectrum in 800 MHz band in 7 circles
- Large scale onboarding of distributors and retailers for device and activation
- Company will ramp up beta program over next few weeks
 - Financial year 2016-17 is projected to be the first year of commercial operations for RJIL
- Successfully demonstrated Lawful Intercept and Monitoring (LIM) facilities for LTE Data and Voice, Video & Messaging Services and International Long Distance voice services to DOT
 - Successfully completed Acceptance Testing of network in all circles for Intra circle and Inter circle MNP
- Launched Wi-Fi hot spots across several locations in the country
- Also started rolling out last-mile connectivity for FTTH



Payments Bank



■ RIL has been awarded in-principle license for Payments Bank

➤ SBI is the JV partner with 30% stake

Financially Inclusive Bank – Digitization objectives

- Convergence of Telecom, Retail and Financial services by offering high quality 4G data and mobile services
- Digitally led strategy with focus on “mobile first” with leverage on other new-age business investments

Ubiquitous Digital Bank

- Low Cost distribution and technology driven strategy
- Low value, high volume transactions protocol
- Mobile phone – the ATM, POS, Banking & Investment Service engine, Shopping, Content (Video Entertainment, Music, News)

Leverage on RIL's EcoSystem

- Co-create an eco system – to cover the daily needs of every strata of society
- Partnerships to fulfill all payments and banking needs of consumers and small businesses

Affordability, Availability and Simplicity

- A high quality Digital bank to deliver most complex products in a simple way
- Micro-transactions and vertical solutions covering individual consumers and small businesses capturing the supply chain all the way to mid-size corporates and larger corporates





Summary

Summary



- Downstream businesses drive record operating earnings in low crude environment
 - 7-year-high GRM demonstrate Refining business ability to leverage equipment, processes to exploit sourcing and placement opportunities in a robust risk management framework
 - Capturing stable chain deltas, reflecting benefit of deep integration in Petrochemicals
- Commodity prices impacting upstream business, but boosting downstream demand
 - RIL benefitting from large investments in state-of-art downstream facilities
- E-commerce set to accelerate Reliance Retail's growth; Digital, Fashion & Lifestyle and Market Place Platforms in-place
- Jio Network roll-out across the country substantially complete
 - Network and Platforms being tested and optimized prior to launch by year-end. FY17 to be first full year of commercial operations for RJIL

Key elements of investment programme set to contribute to growth from FY17



Thank You