Re-Balancing Fibre Requirements

for

Textile Vision 2020

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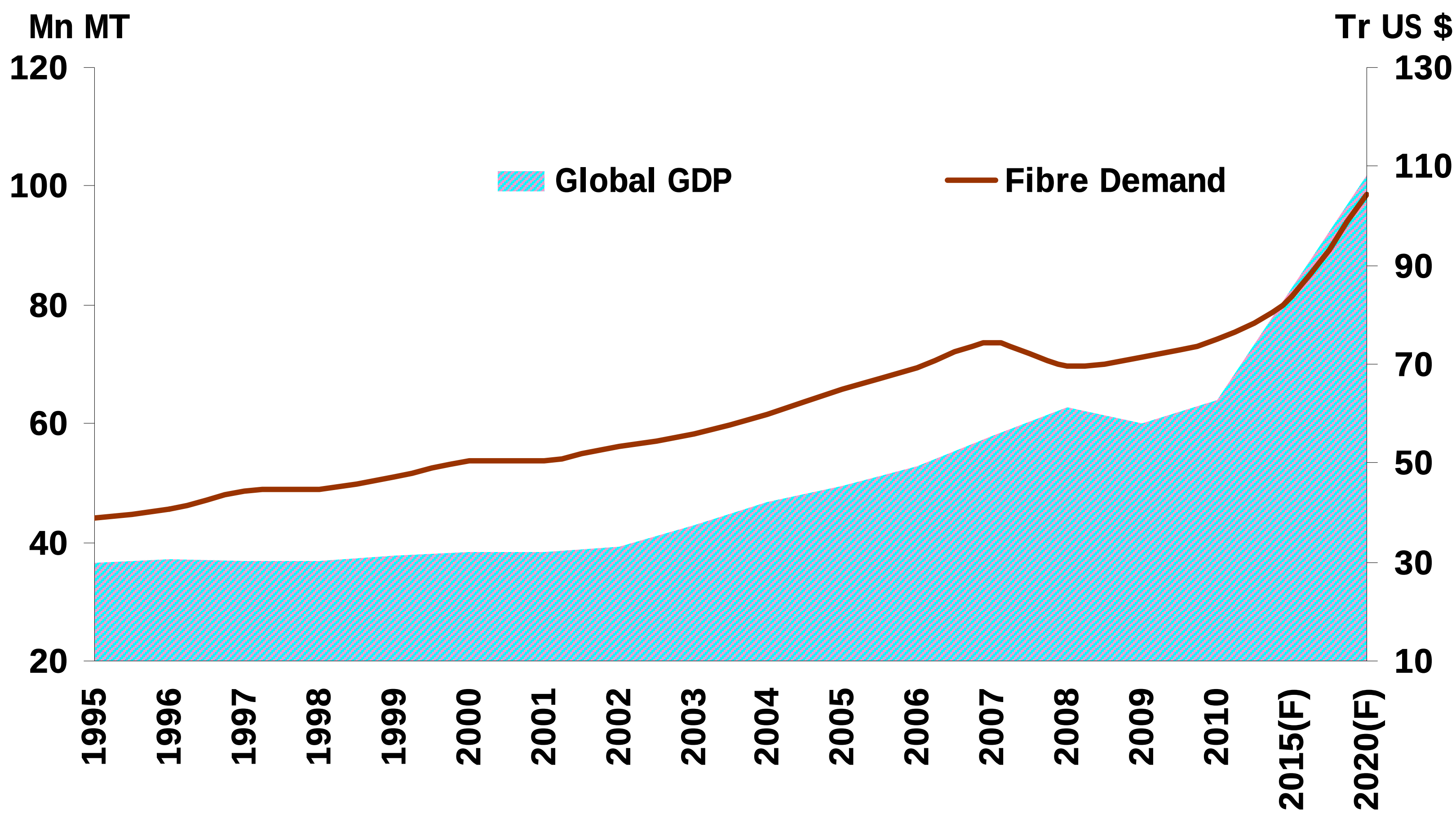
World Growth & Fibre Demand

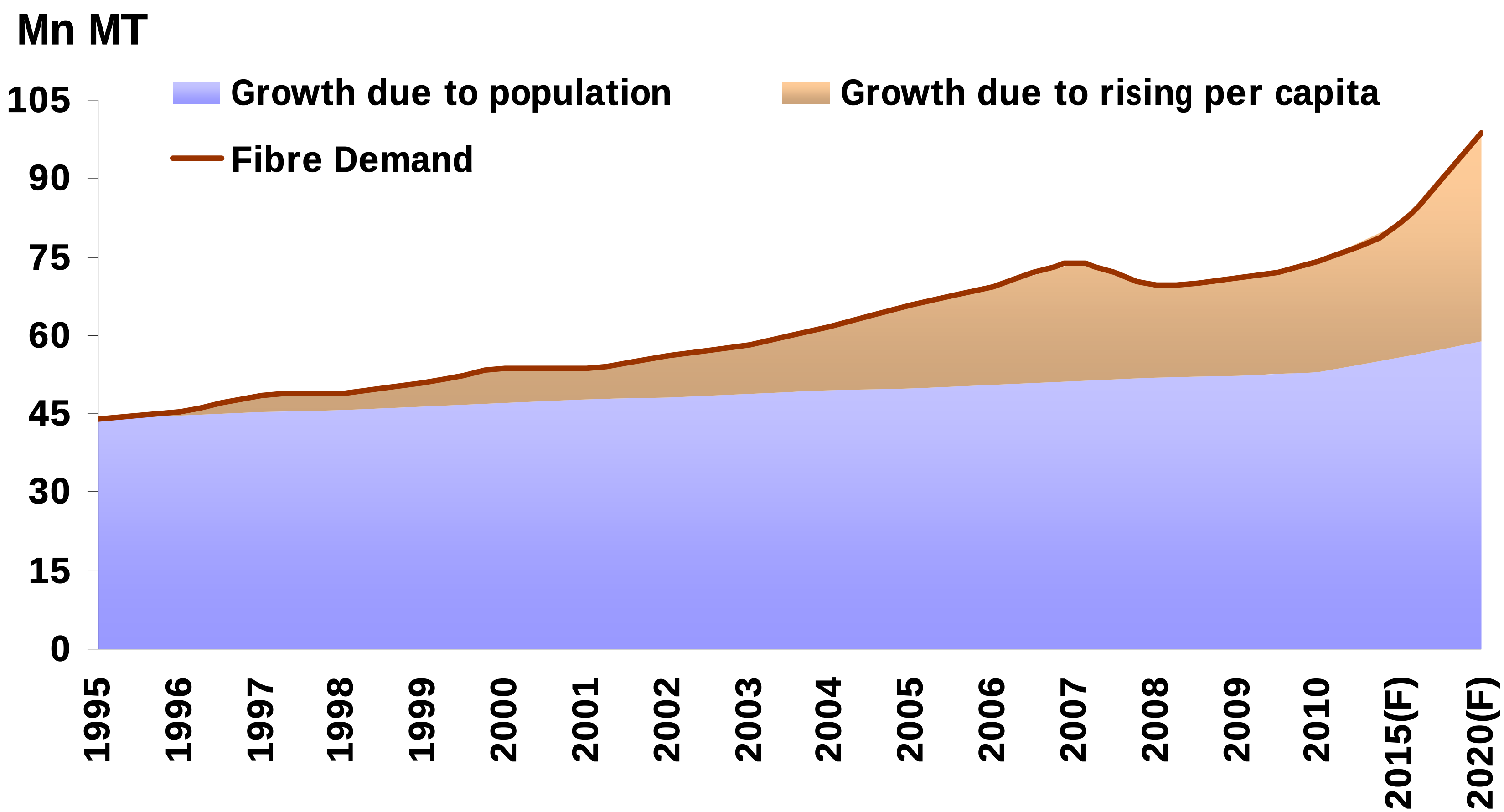


Source: PCI, IMF

Strong relation between GDP and fibre demand

GDP growth conducive for healthy fibre demand

Rising Fibre Demand



Source: PCI

Rising per capita consumption to influence global demand

All Fibre Consumer Demand

Per Capita Consumption (Kg)	2000	2010
N America	35	31
W Europe	22	22
China	10	16
E Europe	6	12
L America	7	7
Other Asia	7	7
India	4	5
Africa/M East	3	4

Source: PCI

Indian domestic markets hold wide scope for growth

Global Textile & Clothing Trade

	US $ Bn			% Share	
	World Trade	China	India	China	India
2000	353	52	11.4	15%	3%
2005	486	104	15	21%	3%
2009	510	157	23	31%	5%

Source: Technopak

China Constraints

Labour

Environment

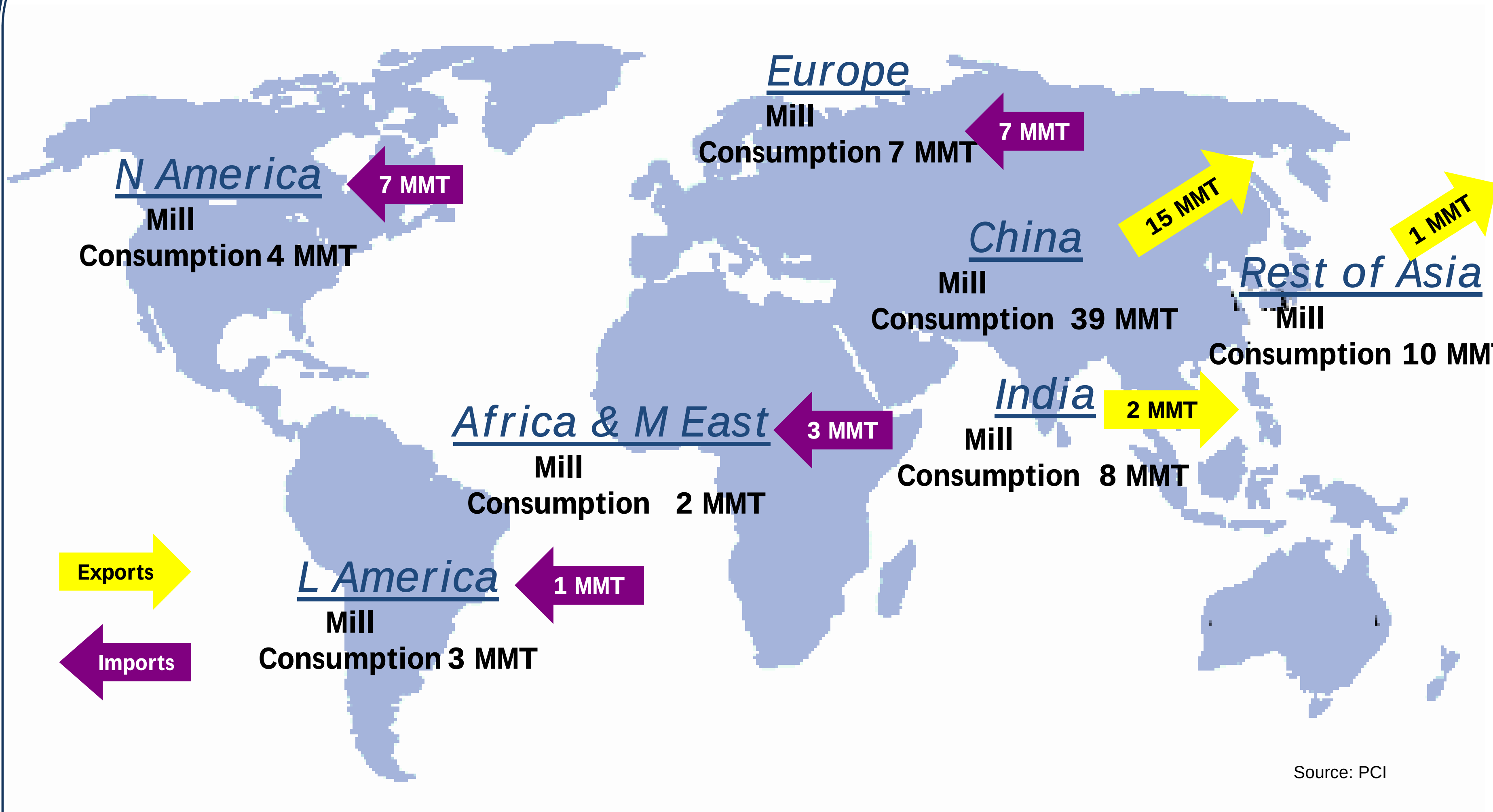
Energy Policies

Currency Appreciation

Tightening Credit Policy

India: Opportunity to expand global footprint

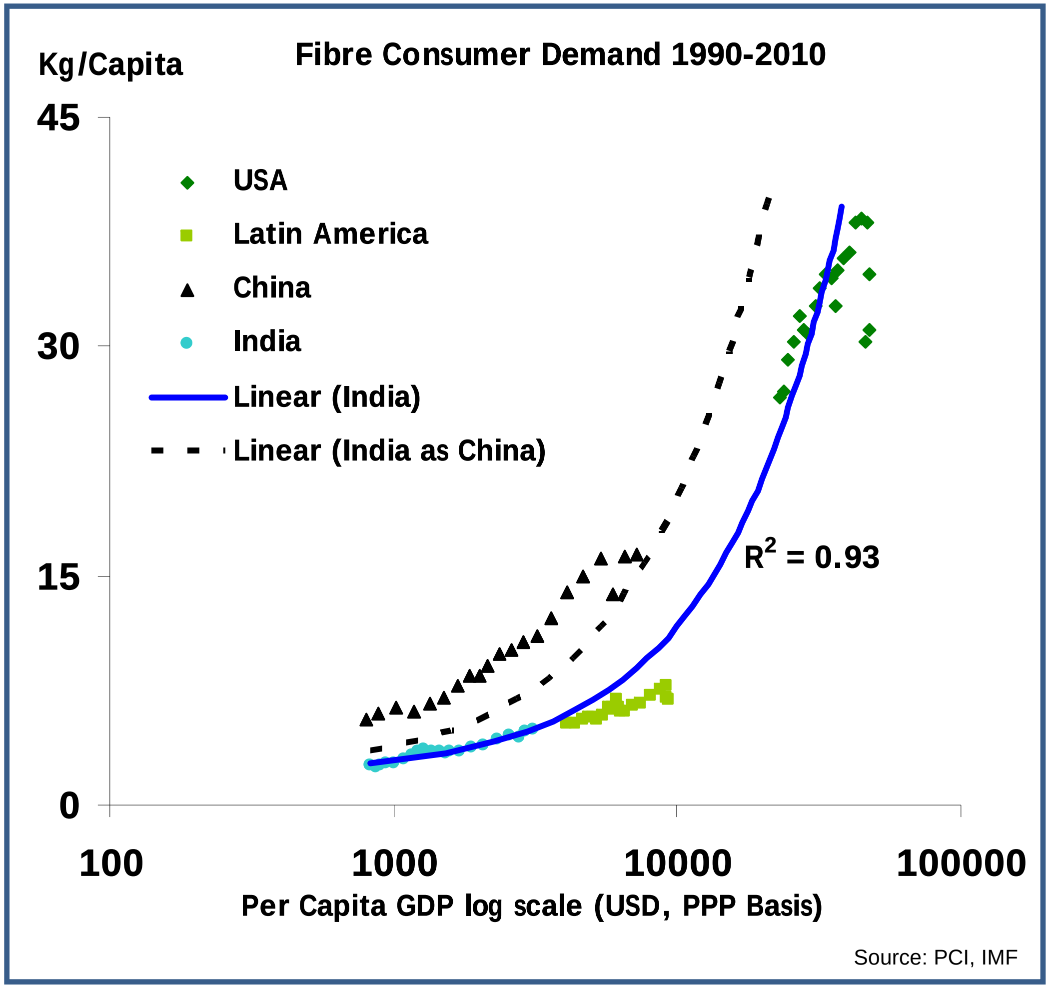
Mill Value Addition



Asia: Clothiers to the world

India: Vast potential for growth

India Growth & Demand Drivers



Demand Drivers

Projected GDP growth of 9%

Low median age

Growing disposable income

Increasing fashion awareness

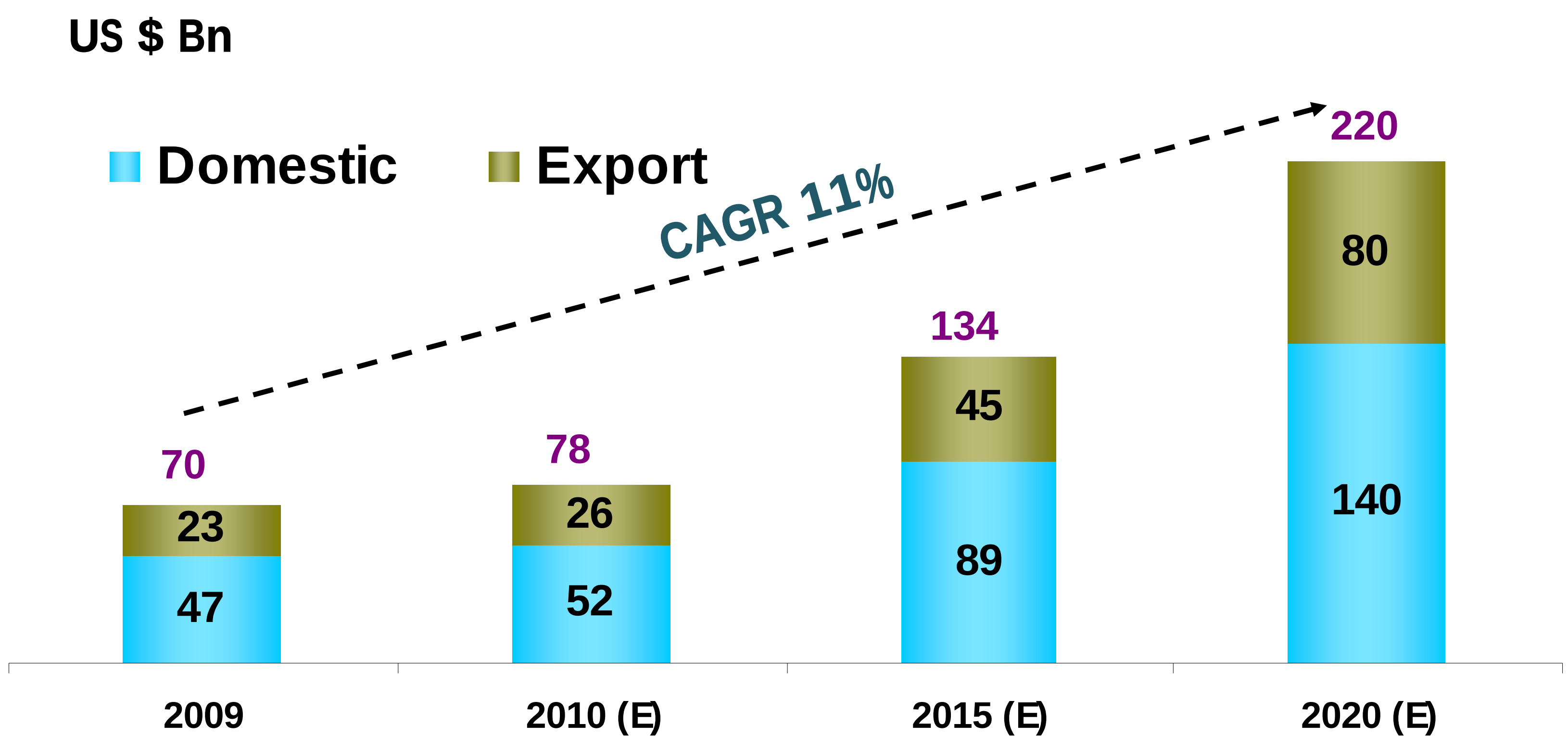
Spread of organized retail sector

Favourable Govt policies

Growing affluence to augur fibre demand

50% more growth required to catch up with Chinese rate

Indian Textile Growth

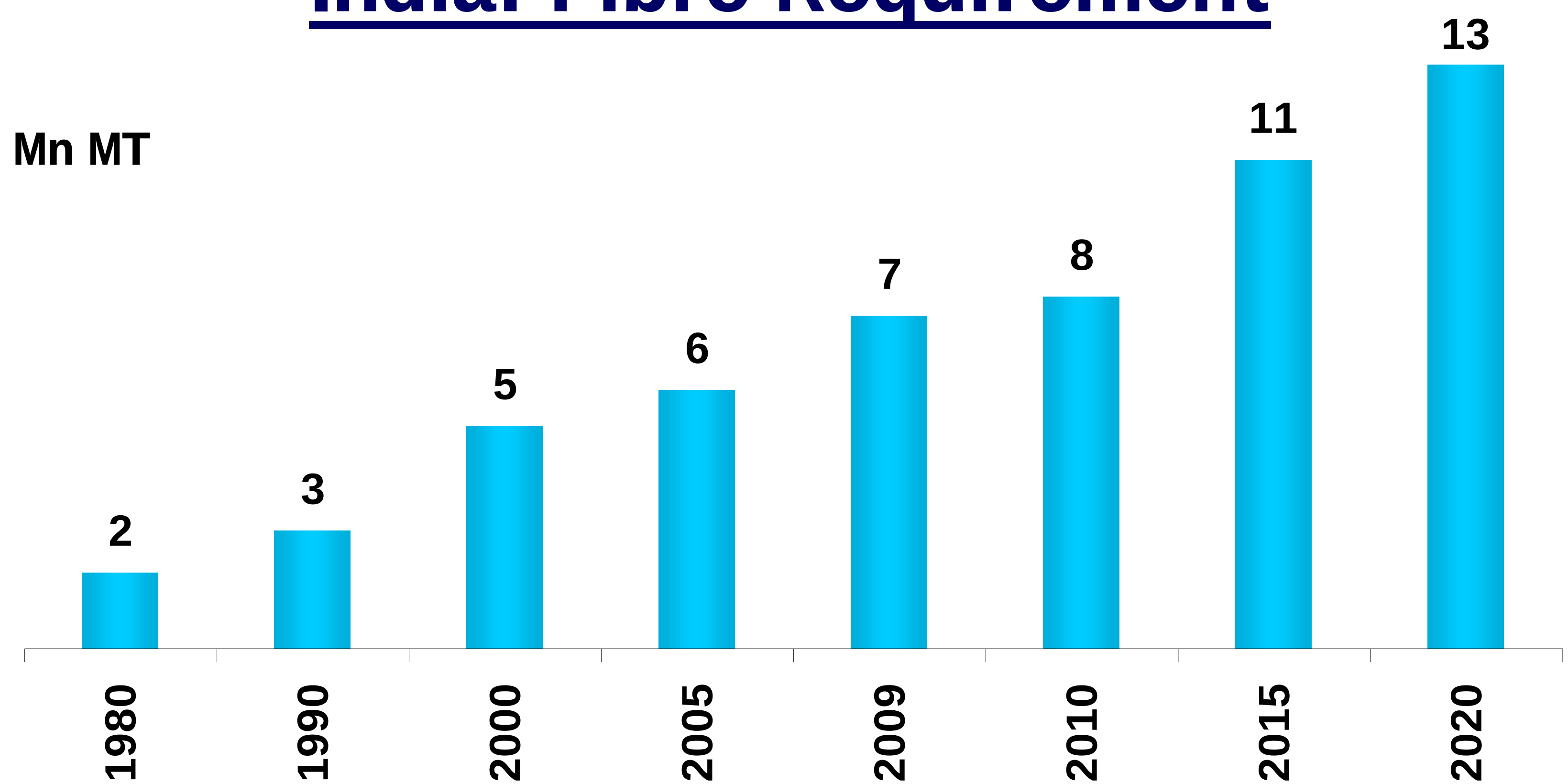


Source: Technopak

Textile growth to overtake GDP growth

Aggressive growth for both domestic & export markets

India: Fibre Requirement



Source: PCI

Demand grew 3 Mn MT in last 10 years

Would require additional 5 Mn MT in next 10 years

Downstream investments would keep the industry hungry

India: Beyond Apparels

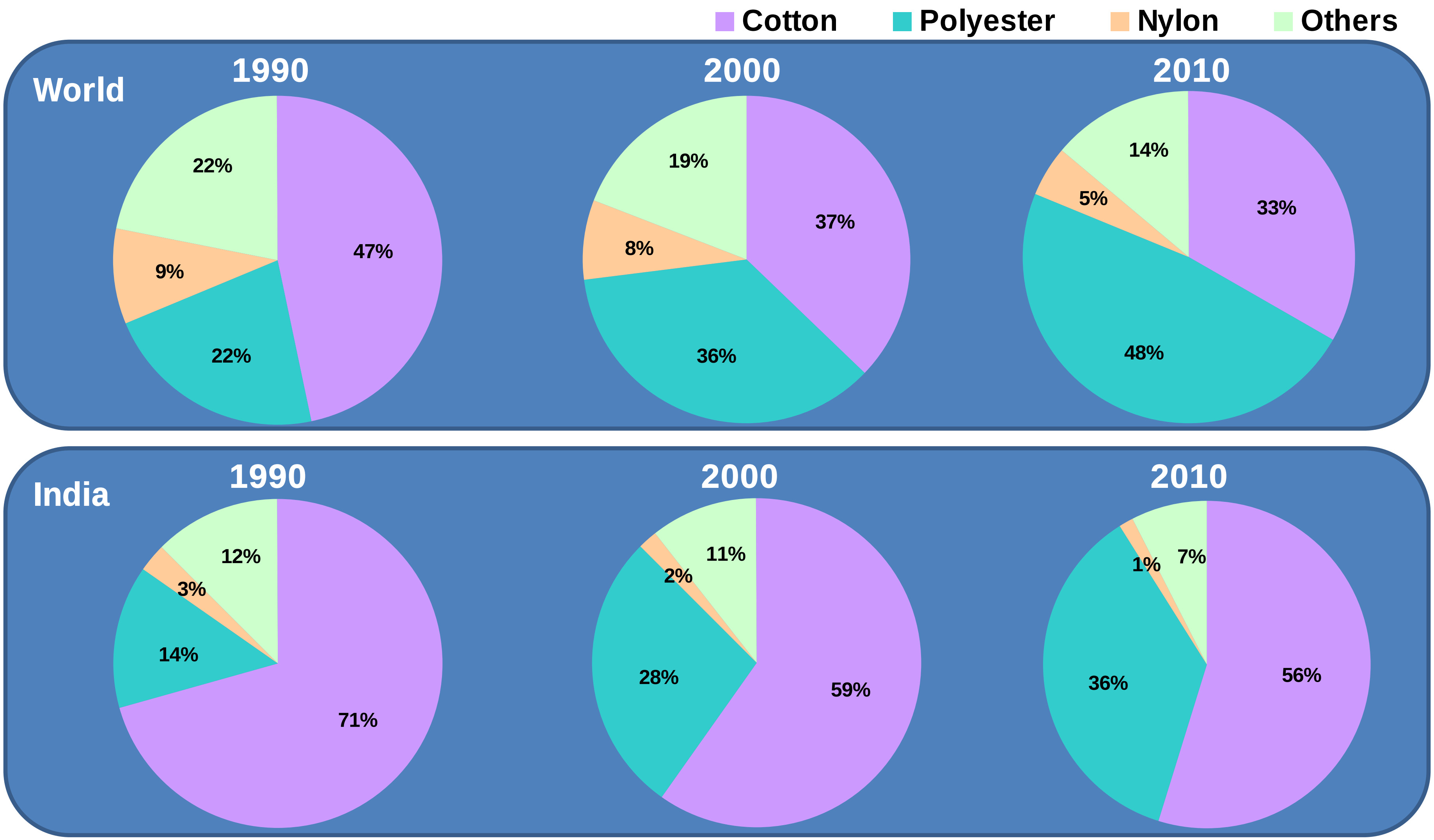
US $ Bn	2010 (E)	2015 (E)	2020 (E)	CAGR (2010-20)
Apparel	36	61	100	11%
Home Textile	4	6	9	8%
Technical Textile	12	22	31	10%
Total	52	89	140	10%

Source: Technopak

New applications opening bigger arena

Non-Apparel markets too hold good potential for growth

Fibre Consumption – Shifting Pattern

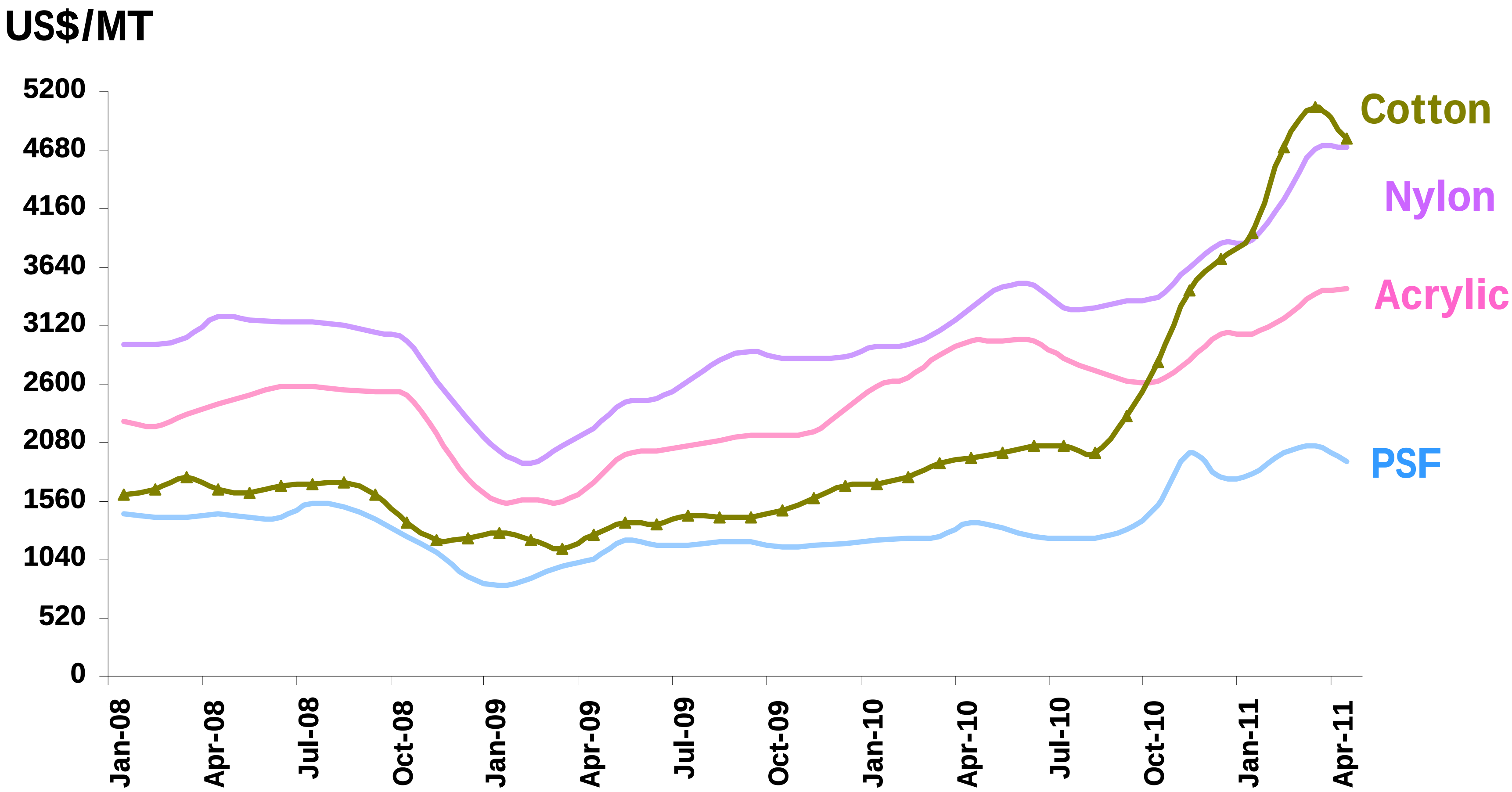


Source: PCI

World: Cotton share steadily declining

India: Cotton dominant, polyester gaining prominence

Fibre Affordability

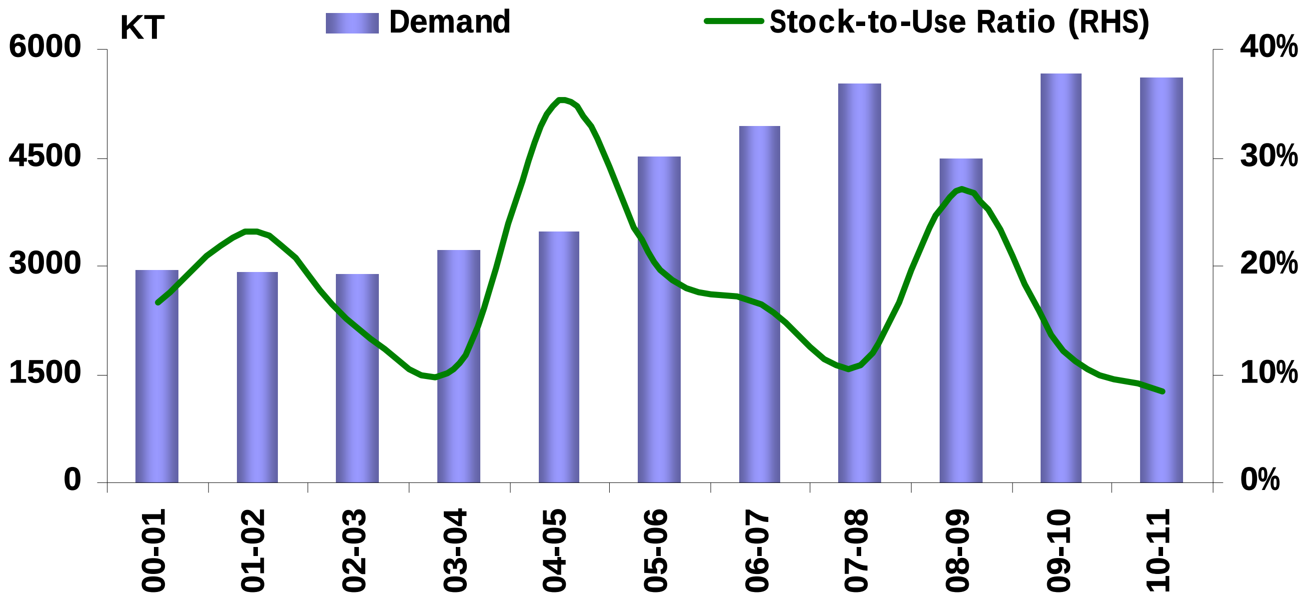


Source: PCI, ICIS, Cotlook

Cotton prices at historic high

Polyester, the most economical fibre for the textile industry

India: Cotton Scenario



Source: CAB Feb '11

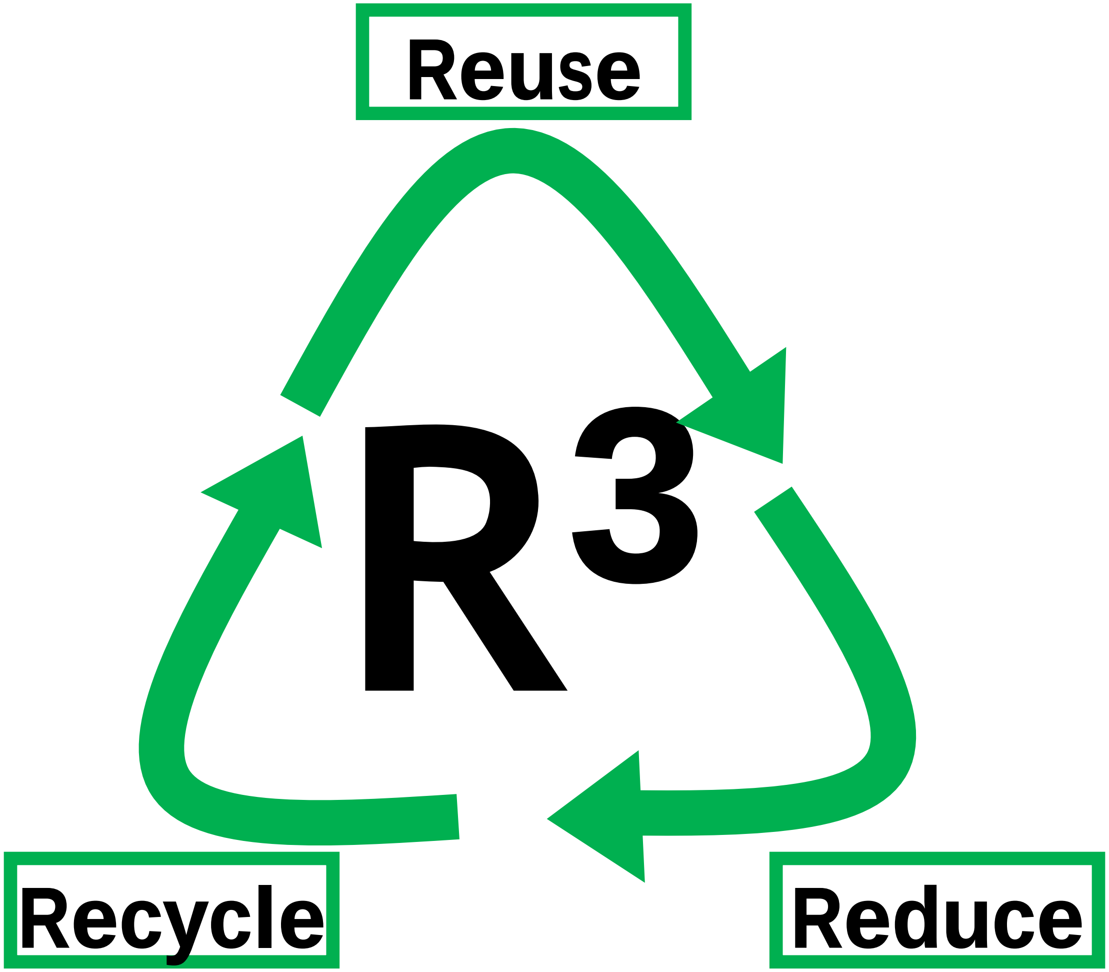
Domestic prices more than double in last one year

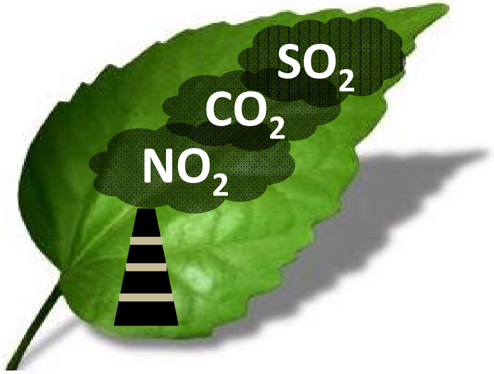
Domestic stock–to–use ratio lowest in last decade

Demand rising due to improved downstream investment

Increased plantation but susceptible to vagaries of nature

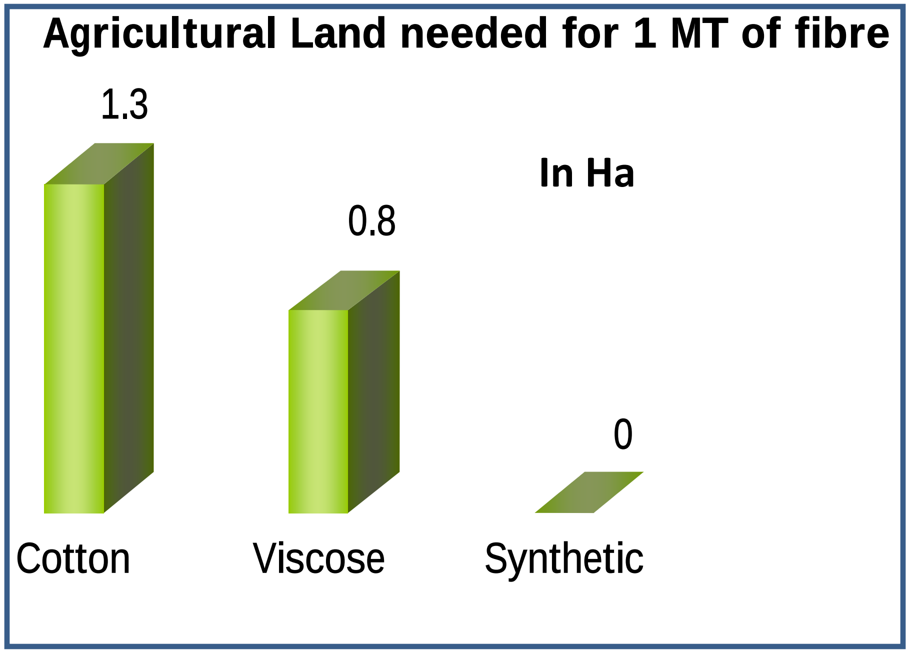
Ecosystem Conservation

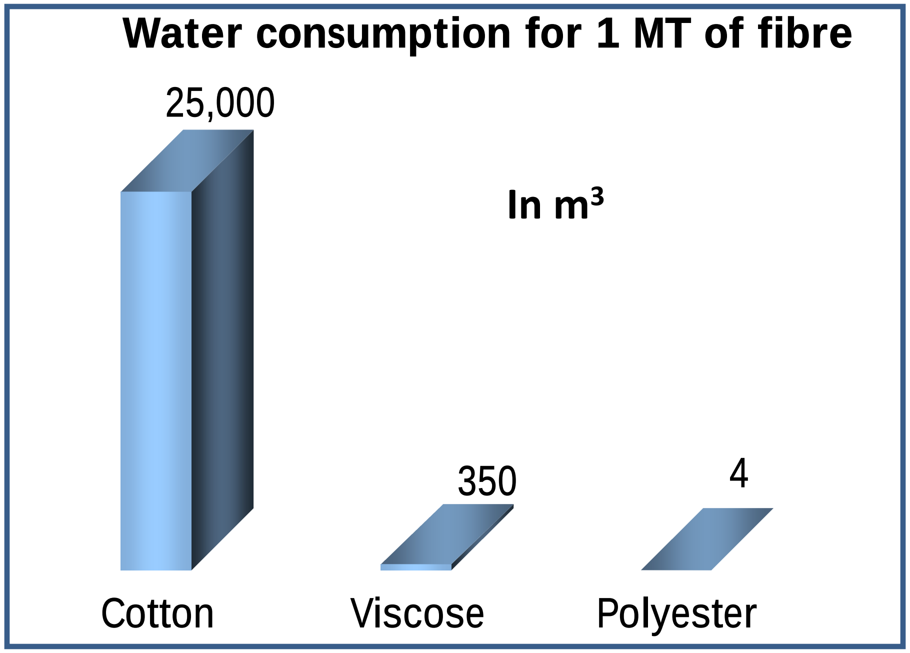


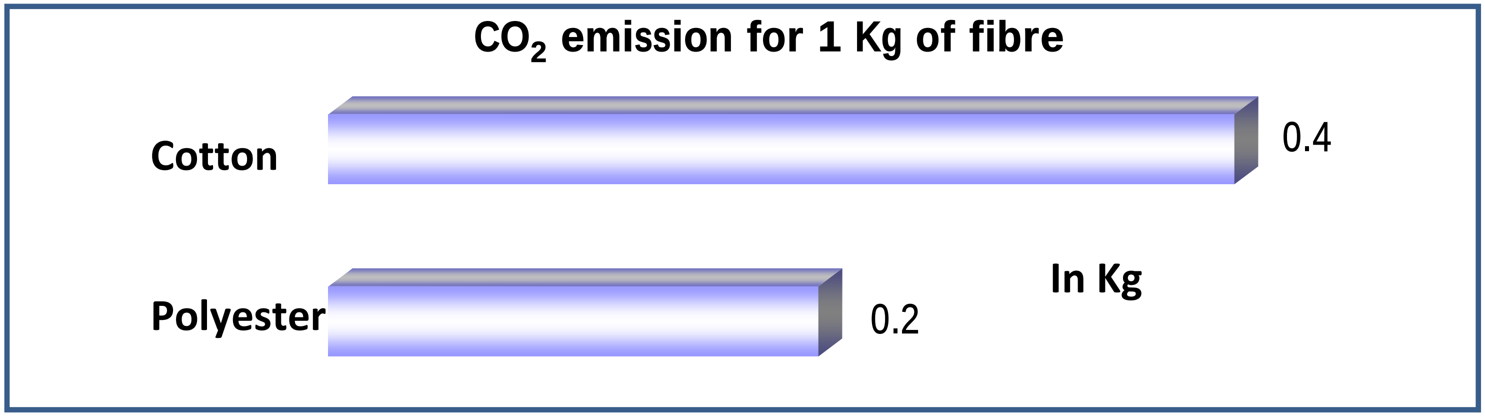


Growing consumer awareness influencing fibre selection

Environment - Concern and Constraint







Source: International Fiber Journal, AUTEX Research Journal

Polyester serving for environment sustenance

RIL Initiatives

Growth

PFY: 395 KTA

PTY: 140 KTA

PSF: 290 KTA

PX: 1400 KTA

PTA: 2300 KTA

MEG: 700 KTA

Benefits to Industry

Largest PET bottle recycling facility in India

Largest backward integration to ensure steady supply for market demands

Environment friendly processes

Development of eco-friendly products

Investments to aid industry growth

What is good for India is good for Reliance

Conclusion

- ✓ Global growth and consumer affluence to aid fibre demand growth
- ✓ India has vast scope for expansion both in global and domestic arena
- ✓ India still largely dependant on cotton; while global pattern is skewed towards polyester
- ✓ Cotton production is subject to the vagaries of nature and is uncertain
- ✓ Polyester serves to protect the environment and promotes sustenance
- ✓ Reliance has planned aggressive growth plans to assist the Indian textile industry growth

Thank

You