

## **MEDIA RELEASE**

**NET PROFIT OF Rs 1,085 CRORE (US\$ 270 MILLION) FOR THE YEAR  
- AN INCREASE OF 35 %**

**TOTAL INCOME OF Rs 7,501 CRORE (US\$ 1870 MILLION) FOR THE YEAR  
- AN INCREASE OF 14%**

**RAISES DIVIDEND FROM 53% TO 63%**

**IMPACT OF DERIVATIVE MTM ACCOUNTED  
- NET GAIN OF Rs 1 CRORE (US\$ 0.25 MILLION)**

**EPC ORDERBOOK POSITION AT Rs 7,850 CRORE (US\$ 1,957 MILLION)  
- AN INCREASE OF 50%**

**BUYBACK APPROVAL IN PLACE FOR Rs 2,000 CRORE (US\$ 500 MILLION)**

**COMPANY HAS CASH & CASH EQUIVALENTS OF Rs 9,596 CRORE  
(US\$ 2,392 MILLION)**

**Mumbai, April 28, 2008:** Reliance Energy Limited today announced its audited financial results for the financial year ended March 31, 2008. The performance highlights are:

### **Standalone – Year ended March 31, 2008**

- **Total Income of Rs 7,501 Crore** (US\$ 1,870 million), against Rs 6,575 crore (US\$ 1,639 million) in the previous year, **an increase of 14%**
- **Net Profit of Rs 1,085 crore** (US\$ 270 million), against Rs 801 crore (US\$ 200 million) in the previous year, **an increase of 35%**
- **Cash Profit of Rs 1,325 crore** (US\$ 330 million), against Rs 1,069 crore (US\$ 266 million) in the previous year, **an increase of 24%**
- **Cash Earnings Per Share (Cash EPS) of Rs 57.3** (US\$ 1.43), against Rs 50 (US\$ 1.25) in the previous year, **an increase of 15%**
- **Earnings Per Share (EPS) of Rs 46.9** (US\$ 1.17), against Rs 37.2 (US\$ 0.92) in the previous year, **an increase of 26%**

### **Standalone – Quarter ended March 31, 2008**

- **Total Income of Rs 1,977 crore** (US\$ 493 million), against Rs 1,890 crore (US\$ 471 million) in the previous year, **an increase of 5%**
- **Net Profit of Rs 311 crore** (US\$ 78 million), against Rs 237 crore (US\$ 59 million) in the previous year, **an increase of 31%**
- **Cash Profit of Rs 323 crore** (US\$ 81 million), against Rs 289 crore (US\$ 72 million) in the previous year, **an increase of 12%**
- **Cash Earnings Per Share (Cash EPS) of Rs 13.7** (US\$ 0.34), against Rs 12.9 (US\$ 0.32) in the previous year, **an increase of 6%**
- **Earnings Per Share (EPS) of Rs 13.2** (US\$ 0.33), against Rs 10.6 (US\$ 0.26) in the previous year, **an increase of 25%**

### **Consolidated – Year ended March 31, 2008**

- **Total Income of Rs 9,760 crore** (US\$ 2433 million), against Rs 7,775 crore (US\$ 1938 million) in the previous year, **an increase of 26%**
- **Net Profit of Rs 1,178 crore** (US\$ 294 million), against Rs 834 crore (US\$ 208 million) in the previous year, **an increase of 41%**
- **Cash Profit of Rs 1502 crore** (US\$ 374 million), against Rs 1,114 crore (US\$ 278 million) in the previous year, **an increase of 35%**
- **Cash Earnings Per Share (Cash EPS) of Rs 64.9** (US\$ 1.62), against Rs 51.7 (US\$ 1.28) in the previous year, **an increase of 26%**
- **Earnings Per Share (EPS) of Rs 50.9** (US\$ 1.27), against Rs 38.7 (US\$ 0.97) in the previous year, **an increase of 32%**

At the meeting held today, **the Board has approved payment of final dividend of Rs 6.3 per share**, amounting to a payout of Rs 173 crore (US\$ 43 million) for the year ended March 31, 2008.

The following companies have become subsidiaries of the company during the year :

- Reliance Energy Trading Limited,
- Parbati Koldam Transmission Company Limited, and
- Western Region Transmission (Gujarat) Private Limited and Western Region Transmission (Maharashtra) Private Limited, both of them subsidiaries of existing subsidiary company, Reliance Power Transmission Limited.

The revenues and profits of these newly incorporated companies in the financial period ended March 31, 2008 were not significant.

### **Infusion of Funds**

**As on March 31, 2008, the net worth of the Company stood at Rs 11,690 crore (US\$ 2,914 million). Book value per share increased to Rs 496 as on March 31, 08 from Rs 409 per share as on March 31, 2007**

During the period under review, **the Company converted the entire Foreign Currency Convertible Bonds (FCCB) of aggregating US\$ 178 million resulting in the allotment of 79,99,984 equity shares.** Accordingly, networth of the Company increased by Rs 800 crore (US\$ 199 million).

During the period under review, **the Company allotted 43 million warrants convertible into equity shares at Rs 1,822 per share to the promoters.** The amount payable towards allotment has already been received by the Company. Upon conversion of warrants, **the Company will receive Rs 7,835 crore which will increase the networth of the Company to Rs 18,730 crore.**

The shareholders of the Company **approved a buy-back of the equity shares for an aggregate amount of up to Rs 2,000 crore (US\$ 500 million).** The Company has so far bought-back 20,38,551 equity shares aggregating Rs 250.75 crore.

The Company has **Rs 9,596 crore (US\$ 2,392 million) of cash & cash equivalent as on March 31, 2008.** The Company remains debt free at the net level, and enjoys the top-end ratings of 'AAA' and 'Ind AAA' by CRISIL and FITCH, respectively.

### **Management Discussion and Analysis**

#### **Energy Sales**

The Company achieved **aggregate sales of electrical energy of 9,292 million units** during the financial year ended March 31, 2008, against 8,766 million units in the previous year, **an increase of 6%.**

**The Company's aggregate revenues from energy sales during the financial year ended March 31, 2008 was Rs 4,920 crore (US\$ 1,226 million)** against Rs 3,611 crore (US\$ 900 million) in the previous year, **an increase of 36%.**

During the period under review, the customer base in Mumbai Supply area increased by over 0.13 million to 2.63 million customers.

## Power Generation

### (i) Dahanu Thermal Power Station (DTPS)

During the period under review, the Company's Dahanu Thermal Power Station achieved a **Plant Load Factor (PLF) of 101.5%**, against the PLF of 101.8% achieved during the previous year.

The Dahanu Thermal Power Station generated 4,459 million units during the financial year ended March 31, 2008.

The DTPS emerged as the country's best thermal power plant on various parameters such as PLF, Availability and Heat rate. The power station has been conferred with several prestigious awards for excellence in operational performance, energy management, energy conservation, environmental management, pollution control, quality management, water management and Corporate Social Responsibility.

Installation and commissioning of flue gas de-sulphurization plant was completed in the month of September 2007 which has substantially reduced the environmental SO<sub>2</sub> emissions.

### (ii) Samalkot Power Station, Andhra Pradesh

During the financial year ended March 31, 2008, the Samalkot Power Station achieved a **Plant Load Factor (PLF) of 60.6%**, against the PLF of 50.6% achieved during the previous year. The gas availability continues to adversely impact the PLF of the plant. The average gas availability to the station increased to 0.63 million cubic meters as against 0.56 million cubic meters per day made available in the last year.

The station generated 1,171 million units against 974 million units in the previous year. This year the plant has also operated in mixed fuel mode as per AP Transco's dispatch instructions. The plant continued to maintain an availability factor of 97.40 per cent.

### (iii) Goa Power Station

During the period under review, the Goa Power Station achieved a **Plant Load Factor (PLF) of 85.5%**, against the PLF of 94% achieved during the previous year.

### (iv) Windfarm Power Project

During the period under review, the wind farm achieved a **Plant Load Factor (PLF) of 34%**, against the PLF of 35% achieved during the previous year.

## **Power Purchased**

During the period under review, **the Company purchased 4,848 million units of electrical energy** from external sources, which is higher by 9% compared to the off-take in the previous year.

The cost of energy purchased increased by 10% to Rs 1,015 crore (US\$ 253 million) during the period under review, owing to increase in units purchased as well as increase in per unit fuel cost.

## **Financial Review**

**The total sales of electrical energy during the financial year ended March 31, 2008 were Rs 4,920 crore (US\$ 1,226 million), against Rs 3,611 crore (US\$ 900 million) in the previous year, an increase of 36%.**

**The turnover of the EPC Division for the financial year ended March 31, 2008 was Rs 1,393 crore (US\$ 347 million) against Rs 2,082 crore (US\$ 519 million) in the corresponding previous period. The division had a record order book position of about Rs 7,850 crore (US\$ 1,957 million) as on March 31, 2008, as against Rs 5,250 crore (US\$ 1,309 million) in the previous year, an increase of 50%.**

**Other Income for the year under review was Rs 1,188 crore (US\$ 296 million) as against Rs 882 crore (US\$ 220 million) in the previous year.**

During the year under review, **the total income of the Company was Rs 7,501 crore (US\$ 1,870 million), against Rs 6,575 crore (US\$ 1,639 million) in the previous year, an increase of 14%.**

The Company's **Earnings Before Interest, Depreciation and Tax (EBIDT) increased to Rs 1,684 crore (US\$ 420 million), against Rs 1,363 crore (US\$ 340 million) in the previous year, an increase of 23%.**

**Depreciation was at Rs 223 crore (US\$ 56 million) as against Rs 240 crore (US\$ 60 million) for the previous year on account of change in method of depreciation made during previous year which resulted in higher depreciation amount for the pervious year.**

**The corporate tax liability, including the deferred taxes, for the financial year ended Mach 31, 2008 was Rs 67 crore (US\$ 17 million), as against Rs 71 crore (US\$ 18 million) in the previous year.**

**Net Profit for the financial year ended Mach 31, 2008 recorded an increase of 35% to Rs 1,085 crore (US\$ 2,704 million) from Rs 801 crore (US\$ 200 million) in the previous year.**

During the year under review, the Cash Earnings Per Share (Cash EPS) was Rs 57.3, an increase of 15%.

Earnings Per Share (EPS) for the financial year ended March 31, 2008 was Rs 46.9, an increase of 26%.

### **EPC Business**

The division had a record **order book position of about Rs 7,850 crore (US\$ 1,957 million) as on March 31, 2008**, as against Rs 5,250 crore (US\$ 1,309 million) in the previous year, **an increase of 50%**. Currently working on 6 sites and implementing over 3,000 MW of power projects as:

- 2X300 MW of power project in Yamuna Nagar, Haryana – *Nearing completion*
- Electrification of 6,715 villages under Uttar Pradesh rural electrification scheme – *Nearing completion*
- 2X600 MW of power project in Hisar, Haryana
- 2X250 MW Parichha Thermal Power Station, Uttar Pradesh - BOP
- 2X600 MW Purulia project, Damodar Valley Corp.
- Western Region System Strengthening (WRSS) transmission project

### **Infrastructure Initiatives**

The Company is implementing the following infrastructure projects :

- **Developing 5 road projects in Tamil Nadu** totaling over 400 kms of length with investment of Rs 3150 crore with concession period from 20 – 30 years. A financial closure of all the projects is done and are currently under construction. These projects make Reliance as the largest concessionaire of road projects for NHAI on BOT basis.

The details of each project is presented below :

<b>Project</b>	<b>Length (km)</b>	<b>Cost (Rs Cr)</b>	<b>Grant (Rs Cr)</b>	<b>Concession Period*</b>	<b>COD</b>
Namakkal Karur (NK Toll Project)	44	345	24	20 years	Oct, 2008
Dindigul Samyanallore (DS Toll Project)	53	415	31	20 years	Oct, 2008
Trichy Karur	80	755	148	30 years	March, 2010
Trichy Dindigul	88	560	226	30 years	March, 2010
Salem Ulenderpet	136	1,083	366	25 years	March, 2010
<b>Total</b>	<b>401</b>	<b>3158</b>			

- **Developing two metro rail projects in Mumbai and Delhi respectively.** Mumbai Metro project is the first MRTS project being developed under Public Private Partnership. Delhi's Airport Express Metro Link is the first of its kind high speed airport link in the Country. The details of the two projects are :

Project	Project Cost (Rs Cr)	Length (Km)	Corridor	Concession Period	COD
Mumbai Metro I	2,400	12	Versova – Andheri - Ghatkopar	35 Years	Sep, 2010
Airport Metro Express Line – Delhi	2,500	23	New Delhi Railway Station - IGI Airport - Dwarka	30 Years	July, 2010

Some of the **major mile stones achieved in Mumbai Metro** are :

- Project Consultant appointed - Consortium of Parsons Brinkerhoff, USA & Systra SA France
- Alignment survey, soil investigation & utilities mapping completed
- Traffic management plan during construction – in principle approval obtained from Traffic department
- Civil Viaduct Contractor appointed - Simplex Infrastructure Ltd.
- Civil Station Contract awarded to Sew Construction Ltd.
- Civil Construction commenced at multiple locations

The Company is first and the only private sector players implementing metro projects in the country.

- **Developing Trade Tower of 100 storeys & Business District in Hyderabad** over an area of 76 acres. Trade Tower is to be developed in 4 years. Turner International LLC is appointed for PMC / advisor for predesign stage and RFP has been issued for appointment of master planner.

Apart from the above projects, the Company is also pursuing the following SEZ projects:

- **Dhirubhai Ambani Knowledge City, Mumbai :** The Company plan to develop IT / ITES SEZ in DAKC campus in Navi Mumbai over 45 acres of land. BOA approval has been obtained. The total saleable area will bt 4 mn sq fts.
- **NOIDA One World Special Economic Zone** – 2500 acres of multi-product SEZ

### **Transmission Initiatives**

- Implementing first 100% private sector participation project, Western Region System Strengthening (WRSS) transmission project on BOO basis. The project cost is Rs 1,500 crore (US\$ 375 million). The EPC work of the project has already been awarded to Reliance EPC division.
- Joint Venture with Power Grid for transmission lines for Parbati & Koldam projects in HP with project cost : Rs 750 crore [UD\$ 187 million]

Both the projects have been won on competitive bidding basis.

The Company would be continuously exploring the emerging opportunities in several infrastructure projects such as highways, roads, metro rail, airports, SEZs real estate, etc.

### ***BACKGROUND***

#### **Reliance Energy Limited**

Reliance Energy, a part of Reliance - Anil Dhirubhai Ambani Group, is India's leading private sector Infrastructure & Utility Company.

The Reliance Anil Dhirubhai Ambani Group currently has a market capitalization of over Rs 3,01,500 crore (US\$ 75 billion) , net worth in excess of Rs 55,000 crore (US\$ 14 billion), cash flows of Rs 11,000 crore (US\$ 2.8 billion), net profit of Rs 7,000 crore (US\$ 1.8 billion) and zero net debt.

The Company is ranked amongst India's top 25 listed private companies in terms of all major financial parameters, including assets, sales, net worth, profits and market capitalisation.

## Reliance Energy Limited

Registered Office: Reliance Energy Centre, Santa Cruz (East), Mumbai 400 055.

www.rel.co.in

**Audited Financial Results for the year ended March 31, 2008**

(Rs. Crore)

Sr. No.	Particulars	Standalone		Consolidated	
		31-03-2008	31-03-2007	31-03-2008	31-03-2007
1	Net Sales of Electrical Energy	4,919.87	3,610.95	6,872.21	4,719.00
2	Income from EPC and Contracts	1,393.30	2,082.00	1,422.63	2,112.57
3	Other Income	1,188.03	882.30	1,465.17	942.96
		<b>7,501.20</b>	<b>6,575.25</b>	<b>9,760.01</b>	<b>7,774.53</b>
4	Total Expenditure				
	(a) Cost of Electrical Energy purchased	2,487.69	1,532.43	3,961.01	2,338.80
	(b) Cost of Fuel	1,015.52	921.27	1,276.13	997.41
	(c) Tax on Electricity	131.58	124.62	131.58	124.62
	(d) Cost of Materials and Sub-contract Charges (EPC and Contracts)	1,193.83	1,840.62	1,230.30	1,870.98
	(e) Staff Cost	397.24	313.53	480.59	384.24
	(f) Other Expenses and Provisions	591.94	480.03	734.79	582.48
	(g) Depreciation (See Note No 5)	222.94	240.06	307.42	303.21
5	Interest and Finance Charges	308.76	250.32	402.06	313.02
6	Profit before Tax	1,151.70	872.37	1,236.13	859.77
7	Provision for Taxation :				
	Current Tax	137.15	90.15	166.25	93.18
	Deferred Tax	17.22	27.15	16.74	(23.70)
	Fringe Benefit Tax	6.00	4.77	6.15	5.49
	Tax adjustment for earlier years	(93.30)	(51.15)	(93.31)	(51.18)
8	Profit after Tax	1,084.63	801.45	1,140.30	835.98
	Share of Associates - Profit / (Loss)			38.60	(1.49)
	Minority Interest			(0.69)	(0.01)
9	Profit after Tax after Minority Interest and Share of Associates (Profit / (Loss))			1,178.21	834.48
10	Paid up Equity Share Capital (Face Value Rs. 10 per Share)	235.62	228.57	235.62	228.57
11	Reserves including Statutory Reserves excluding Revaluation Reserves	10,024.16	8,412.73	15,339.60	8,607.88
12	Earnings per share (On Net Profit)				
	- Basic (Rs.)	46.85	37.20	50.89	38.74
	- Diluted (Rs.)	45.68	36.27	49.62	37.74
13	Aggregate of Public Shareholding -				
	- No. of Shares	151,501,619	149,803,562	151,501,619	149,803,562
	- Percentage of Shareholding	64.05	65.55	64.05	65.55

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### Segment-wise Revenue, Results and Capital Employed

(Rs. Crore)

Sr. No.	Particulars	Standalone		Consolidated	
		31-03-2008	31-03-2007	31-03-2008	31-03-2007
<b>1</b>	<b>Segment Revenue</b> (Net Sales / Income)				
	- Electrical Energy	5,007.56	3,741.79	7,009.39	4,889.82
	- EPC and Contracts	1,444.36	2,094.56	1,473.80	2,125.31
	- Others	0.02	0.27	0.02	0.27
	- Unallocated	1,049.26	738.93	1,276.80	-
	<b>Total</b>	<b>7,501.20</b>	<b>6,575.55</b>	<b>9,760.01</b>	<b>7,015.40</b>
	<b>Less : Inter Segment Revenue</b>	-	0.30	-	0.30
	<b>Total Sales / Income</b>	<b>7,501.20</b>	<b>6,575.25</b>	<b>9,760.01</b>	<b>7,015.10</b>
<b>2</b>	<b>Segment Results</b> Profit before Tax, Interest, Minority Interest and Share of Associates, from each segment :				
	- Electrical Energy	456.24	323.49	420.59	355.44
	- EPC and Contracts	132.03	122.62	121.82	120.34
	- Others	(0.98)	0.01	(0.98)	-
	<b>Total Segment Results</b>	<b>587.29</b>	<b>446.12</b>	<b>541.43</b>	<b>475.78</b>
	- Interest and Finance Expense	(308.76)	(250.32)	(402.06)	(313.02)
	- Interest Income	515.81	599.98	531.97	604.97
	- Other un-allocable Income net of expenditure	357.36	76.59	564.79	92.04
	<b>Profit before Tax, Minority Interest and Share of Associates, from each segment :</b>	<b>1,151.70</b>	<b>872.37</b>	<b>1,236.13</b>	<b>859.77</b>
<b>3</b>	<b>Capital Employed</b>				
	- Electrical Energy	3,570.46	2,842.36	3,961.68	4,117.19
	- EPC and Contracts	597.27	422.32	601.45	424.63
	- Others	0.84	1.81	5.14	15.96
	- Unallocated Corporate Assets (net)	7,691.23	6,072.75	11,984.23	4,976.61
	<b>Total</b>	<b>11,859.80</b>	<b>9,339.24</b>	<b>16,552.50</b>	<b>9,534.39</b>