

MEDIA RELEASE

**NET PROFIT OF Rs 801 CRORE (US\$ 184 MILLION) FOR THE YEAR –
AN INCREASE OF 23%**

**CASH PROFIT OF Rs 1,069 CRORE (US\$ 246 MILLION)
FOR THE YEAR – AN INCREASE OF 11%**

**TOTAL INCOME OF Rs 6,575 CRORE (US\$ 1,513 MILLION)
FOR THE YEAR - AN INCREASE OF 43%**

**NET PROFIT OF Rs 237 CRORE (US\$ 55 MILLION) FOR THE QUARTER –
UP 40%**

**FINAL DIVIDEND OF Rs 5.30 PER SHARE,
PAYOUT OF Rs 142 CRORE (US\$ 33 MILLION)**

NET WORTH OF Rs 9,339 CRORE (US\$ 2,148 MILLION)

EPC ORDERBOOK POSITION AT Rs 5,250 CRORES (US\$ 1,208 MILLION)

Mumbai, 25th April 2007: Reliance Energy Limited (REL) today announced its audited financial results for the financial year ended 31st March 2007. The performance highlights are:

- **Total Income of Rs 6,575 crore** (US\$ 1,513 million), against Rs 4,608 crore in the previous year, **an increase of 43%**
- **Cash Profit of Rs 1,069 crore** (US\$ 246 million), against Rs 960 crore in the previous year, **an increase of 11%**
- **Net Profit of Rs 801 crore** (US\$ 184 million), against Rs 650 crore in the previous year, **an increase of 23%**
- **Cash Earnings Per Share (Cash EPS) of Rs 50.1 (US\$ 1.15), up 5%**
- **Earnings Per Share (EPS) of Rs 37.2 (US\$ 0.9), up 14%**

At the meeting held today, the Board has approved payment of final dividend of Rs 5.30 per share, amounting to a payout of Rs 142 crore (US\$ 33 million) for the year ended 31st March 2007.

Infusion of Funds

As on 31st March 2007, the net worth of the Company stood at Rs 9,339 crore (US\$ 2,148 million). Book value per share increase to Rs. 409 as on 31st March, 07 against Rs. 371 per share as on 31st March, 2006

During the period under review, Reliance ADAG has infused Rs. 794 crores upon conversion of warrants issued in August, 2005 resulting in increase of equity capital of the company by Rs. 16.21 crore to Rs 228.6 crore (US\$ 53 million),

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 8,766 million units** during the financial year ended 31st March 2007, against 8,087 million units in the previous year, **an increase of 8%**.

The Company's aggregate revenues from energy sales during the financial year ended 31st March 2007 was Rs 3,611 crore (US\$ 831 million) against Rs 3,158 crore in the previous year, an increase of 14%.

During the period under review, the consumer base in Mumbai Supply area increased by over 0.7 lakh to 25.6 lakh consumers.

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 101.8%**, against the PLF of 98.7% achieved during the previous year.

The Dahanu Thermal Power Station generated 4,458 million units during the financial year ended 31st March 2007, against 4,323 million units generated during the previous year.

DTPS received the following major awards during the period under review -

- Gold Shield for Meritorious Performance by the Central Electricity Authority (CEA) of the Government of India for its excellent performance amongst Indian thermal power plants in the year 2004-05, which was presented by the Hon'ble Prime Minister of India.
- Maharashtra Energy Development Agency (MEDA) award for excellence in energy conservation and management in thermal power station sector for the year 2005.
- Greentech environmental excellence award (silver) for 2005
- National Award for excellence in energy management by Confederation of Indian Industry (CII) for 2005-06
- NSC -Maharashtra Chapter-- Safety Awards-2005 for lowest accident frequency rate during the year 2005
- International Quality Crown Award London 2006 in Gold category
- FICCI Award 2005-2006 for environmental conservation and pollution control
- CII - National award for excellence in water management (within the fence) for 2005-06
- CII - National award for excellence in water management (beyond the fence) for 2005-06
- Greentech Safety Award 2006
- Silver Shield for Meritorious Performance by the CEA for its excellent performance amongst Indian thermal power plants in the year 2005-06, which was presented by the Hon'ble Prime Minister of India.

(ii) Samalkot Power Station, Andhra Pradesh:

During the financial year ended 31st March 2007, the Samalkot Power Station achieved a **Plant Load Factor (PLF) of 50.6%**, against the PLF of 45.3% achieved during the previous year. The gas availability continues to adversely impact the PLF of the plant.

(iii) Goa Power Station:

During the period under review, the Goa Power Station achieved a **Plant Load Factor (PLF) of 94%**, against the PLF of 93.3% achieved during the previous year.

(iv) Windfarm Power Project:

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

Power Purchased:

During the period under review, **the Company purchased 4,454 million units of electrical energy** from external sources, which is higher by 14% compared to the off-take in the previous year.

The cost of energy purchased increased by 40% to Rs 1,527 crore (US\$ 351 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 31st March, 2007 were Rs 3,611 crore (US\$ 831 million)**, against Rs 3,158 crore in the previous year, **an increase of 14%**.

The **turnover of the EPC and Contracts Division for the financial year ended 31st March, 2007 was Rs 2,082 crore (US\$ 479 million)** against Rs. 840 crore in the corresponding previous period. The division had a record **order book position of about Rs 5,250 crore (US\$ 1,208 million) as on 31st March 2007**, as against Rs 3,300 crore in the previous year, **an increase of 59%**.

Other Income for the year under review was Rs 882 crore (US\$ 203 million) as against Rs 610 crore in the previous year.

During the year under review, **the total income of the Company was Rs 6,575 crore (US\$ 1,513 million)**, against Rs 4,608 crore in the previous year, an increase of 43%.

The Company's **Earnings Before Interest, Depreciation and Tax (EBIDT) increased to Rs 1,363 crore (US\$ 314 million)**, against Rs 1,322 crore in the previous year, an increase of 3%

Depreciation was at Rs 240 crore (US\$ 55 million) as against Rs 349 crore for the previous year on account of change in method of depreciation made during previous year which resulted in higher depreciation amount for the previous year.

The **corporate tax liability, including the deferred taxes, for the financial year ended 31st March 2007 was Rs 71 crore (US\$ 16 million)**, as against Rs 131 crore in the previous year.

Net Profit for the financial year ended 31st March 2007 recorded an increase of 23% to Rs 801 crore (US\$ 184 million) from Rs 650 crore in the previous year.

During the year under review, the Cash Earnings Per Share (Cash EPS) was Rs 50.10, **an increase of 5%**.

Earnings Per Share (EPS) for the financial year ended 31st March 2007 was Rs 37.20, **an increase of 14%**.

BACKGROUND

Reliance Energy Limited (REL)

Reliance Energy, a part of Reliance - Anil Dhirubhai Ambani Group, is India's leading private sector utility group, with aggregate estimated group revenues of Rs 12,838 crore (US\$ 2,953 million), and total assets of Rs 12,166 crore (US\$ 2,780 million).

The group distributes nearly 21 billion units of power to over 5 million consumers in Mumbai, Delhi, Orissa and Goa, across an area covering 1,24,300 sq. kms.

Reliance Energy generates 941 MW of power, through its power plants located in Maharashtra, Andhra Pradesh, Kerala, Karnataka and Goa.

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