

RELIANCE ENERGY LIMITED + \$

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POWER

ANIL AMBANI

Chairman: Anil Ambani

SEC: Ramesh Shenoy

AUD: Haribhakti & Co.

Yr of Inc	B. Code	BL. Code	F.V.	Price	% ch 1-m	% ch 12-m	P/E	P/CF	Yield	Mkt cap	Vol.	ISIN
1929	500390	RELE.IN	10	552.7	18.8	1.4	18.2	11.9	0.9	118,665.0	466.8	INE036A01016

SHAREHOLDING

		FX Transaction (FY06)	
Indian Promoters	: 53.4%	Exports (fob)	Rs m 0
Foreign collaborators	: 0.0%	Imports (cif)	Rs m 2,212
Indian inst/Mut Fund	: 21.4%	Fx inflow	Rs m 3
FII/GDR	: 18.4%	Fx outflow	Rs m 3,264
Free float	: 6.9%	Net fx	Rs m -3,261
Shareholders	: 108,782		

No. of months	12	12	12
Year ending	31/03/04	31/03/05	31/03/06

EQUITY SHARE DATA

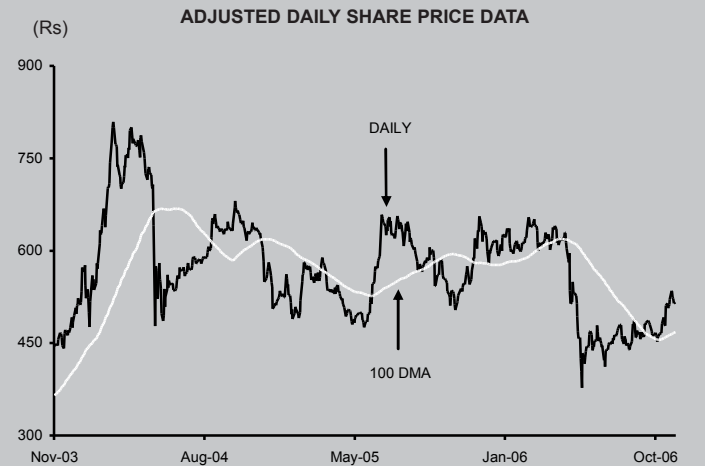
High	Rs	817	816	706
Low	Rs	207	571	471
Sales per share	Rs	182.1	208.1	187.3
Earnings per share	Rs	20.0	26.2	30.3
Cash flow per share	Rs	37.1	43.7	46.3
Dividends per share	Rs	4.50	4.70	5.00
Dividend yield (eoy)	%	0.9	0.7	0.8
Book value per share	Rs	274.3	319.8	366.8
Shares outstanding (eoy)	m	186.78	198.33	214.72
Bonus/Rights/Conversions		GDR	GDR	WC,PA
Price / Sales ratio	x	2.8	3.3	3.1
Avg P/E ratio	x	25.6	26.5	19.4
P/CF ratio (eoy)	x	13.8	15.9	12.6
Price / Book Value ratio	x	1.9	2.2	1.6
Dividend payout	%	22.5	17.9	16.5
Avg Mkt Cap	Rs m	95,585	137,542	126,363
No. of employees	'000	6	6	6
Total wages/salary	Rs m	1,475	1,836	1,857
Avg. sales/employee	Rs Th	6,141.5	7,453.0	7,259.3
Avg. wages/employee	Rs Th	266.3	331.5	335.3
Avg. net profit/employee	Rs Th	675.4	938.8	1,174.2

INCOME DATA

Net Sales	Rs m	34,018	41,282	40,209
Other income	Rs m	1,809	4,594	5,827
Total revenues	Rs m	35,827	45,876	46,036
Gross profit	Rs m	6,109	5,500	7,088
Depreciation	Rs m	3,187	3,464	3,486
Interest	Rs m	557	937	1,658
Profit before tax	Rs m	4,174	5,693	7,771
Minority Interest	Rs m	0	0	0
Prior Period Items	Rs m	70	-3	0
Extraordinary Inc (Exp)	Rs m	0	0	44
Tax	Rs m	503	490	1,311
Profit after tax	Rs m	3,741	5,200	6,504
Gross profit margin	%	18.0	13.3	17.6
Effective tax rate	%	12.1	8.6	16.9
Net profit margin	%	11.0	12.6	16.2

BALANCE SHEET DATA

Current assets	Rs m	28,486	86,404	105,153
Current liabilities	Rs m	14,187	18,878	22,140
Net working cap to sales	%	42.0	163.6	206.5
Current ratio	x	2.0	4.6	4.7
Inventory Turnover	Days	11	31	27
Debtors Turnover	Days	50	82	99
Net fixed assets	Rs m	30,911	29,123	28,737
Share capital	Rs m	1,868	1,880	2,147
"Free" reserves	Rs m	33,710	43,383	63,207
Net worth	Rs m	51,225	63,423	78,756
Long term debt	Rs m	20,294	29,079	28,721
Total assets	Rs m	88,148	112,490	145,818
Interest coverage	x	8.5	7.1	5.7
Debt to equity ratio	x	0.4	0.5	0.4
Sales to assets ratio	x	0.4	0.4	0.3
Return on assets	%	4.2	4.6	4.5
Return on equity	%	7.3	8.2	8.3
Return on capital	%	6.0	6.6	7.6
Exports to sales	%	0.0	0.0	0.0
Imports to sales	%	1.7	4.0	5.5



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CASH FLOW

From Operations	Rs m	6,912	4,932	3,809
From Investments	Rs m	-24,374	19,133	-21,036
From Financial Activity	Rs m	25,520	27,786	13,303
Net Cashflow	Rs m	8,058	51,852	-3,925

INTERIM RESULTS

		3QFY06	4QFY06	1QFY07	2QFY07
Net sales	Rs m	9,884	10,382	11,549	14,076
Gross profit	Rs m	1,793	1,901	1,334	1,775
Gross profit margin	%	18.1	18.3	11.6	12.6
Net profit	Rs m	1,647	1,695	1,766	1,864
Net profit margin	%	16.7	16.3	15.3	13.2

KEY DATA

Parameters	Unit	FY04	FY05	FY06
Capacity	MW	941	941	941
Generation	m units	6,027	5,953	5,548
Realisation	Rs/unit	3.7	3.6	3.9
Fuel cost	Rs/unit	1.1	1.2	1.5
Capex	Rs m	17,452	1,618	2,976

NOTES

Reliance Energy is a leading private sector power company in the country and has presence in generation, transmission and distribution in the states of Maharashtra, Goa and Andhra Pradesh. The company has an installed generation capacity of 941 MW. It also has a presence in the engineering, procurement and construction (EPC) business, which has seen strong performance over the past few quarters, except 4QFY06, when it faced some pressure on the back of delay in project completion.

However, the segment got back on track in the next two quarters, reporting strong growth in revenues. Reliance Energy's overall performance was dampened by the poor performance of the EPC business in FY06 (30% YoY decline in revenues). Despite an 11% YoY growth in revenues from the electrical energy segment, the company's topline witnessed a 3% YoY decline. As for the electricity business, both volume growth and realisation improvement contributed to growth in segment sales. However, despite lower plant load factor (PLF, or capacity utilisation) for all the stations, the growth in volumes was mainly brought about by higher levels of external purchases.

In order to curb its dependence on external sources and also to grow otherwise, the company has planned investments in the power generation segment. These include a 5,600 MW gas-based project in Uttar Pradesh and a 4,000 MW gas-based project in Maharashtra. However, owing to gas pricing issues, the company has recently talked of altering its plans to set up smaller coal based capacities at these locations. The company has also indicated that these additions to the power generation capacity would not be of merchant nature (involving power to be sold to external distribution companies). Rather, these ventures will be towards meeting the company's own distribution requirements in Delhi and Mumbai.