

Phillips Carbon Black Ltd

Investor Update Q3 FY12

Performance Summary

Particulars	Q3FY12	Q2FY12	%Change (QoQ)	Q3FY11	%Change (YoY)	FY11
Production (MT)	72,706	83,781	(13%)	80,046	(9%)	3,05,950
Total Sales Volume (MT)	71,761	80,502	(11%)	80,875	(11%)	3,08,605
Domestic (MT)	49,628	46, 141	8%	63,922	(22%)	2,40,026
Export (MT)	22,133	34,361	(36%)	16,953	31%	68,579
	` Crs	` Crs		` Crs		
Gross Sales	569	614	(7%)	478	19%	1879
Net Sales	515	559	(9%)	432	19%	1696
EBIDTA (before forex)	50	57	(12%)	60	(17%)	221
PBDIT%	9.7%	10.2%		13.9%		13%
PBT	20	22	(9%)	45	(56%)	164
PAT	20	21	(5%)	30	(33%)	116
EPS (Fully Diluted) – `	5.76	6.27		9.04		35.43

Performance Summary: YTD

Particulars	9MFY12	9MFY11	%Change (YoY)	FY11
Production (MT)	2,42,967	2,28,975	6%	3,05,950
Total Sales Volume (MT)	2,39,580	2,30,823	4%	3,08,605
Domestic (MT)	1,56,717	1,80,776	(13%)	2,40,026
Export (MT)	82,863	50,047	66%	68,579
Gross Sales	1806	1389	30%	1879
Net Sales	1646	1252	31%	1696
EBIDTA (before forex)	180	157	20%	221
PBDIT%	10.9%	12.5%		13%
PBT	97	117	(17%)	164
PAT	82	83	(1%)	116
EPS (Fully Diluted) – `	24.49	25.37		35.43

Power Sales

	Power Sales (Units in lacs)	Net Sales (Rs. crs)	Net Realization
Q1 FY12	712	30.95	3.16
Q2 FY12	598	25.64	3.02
Q3 FY12	678	29.45	3.03

Highlights of Q3 FY12

- Due to lower off takes from the tyre sector, overall carbon black volumes have suffered on a sequential basis
- A slowdown in the automobile sector has resulted in major tyre companies resorting to a production cut leading to a lower demand for carbon black
- The company has managed to maintain its sales via focusing on the export market. The export volumes grew by 31%
- Import of carbon black has increased, despite the anti dumping duty on carbon black imports
- Rising crude is an area of concern as it is leading to higher prices of CBFS

Status of new projects

- The company expects to commission the 8 MW power plant at Mundra by Q1FY'13
- The brown field expansion of the carbon black capacity at Durgapur by 12,000 MT is expected to be operational in Q1 FY`13
- The 50,000 MT Carbon Black expansion at Cochin plant is expected to be completed by Q2 FY`13.

Outlook for Q4 FY12

- Sales volume in Q4FY12 is expected to be in line with Q3FY12
- Efforts are being made to recover entire cost increase as pass through in carbon black segment business particularly for tyre segment
- The company continues its thrust on the export market

Cautionary Statement

Statement in this “ Management Discussion and Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be “ forward looking statements” within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the Company conducts business and other factors such as litigations and labour negotiations.