

Phillips Carbon Black Ltd

Investor Update Q1 FY14

Performance Summary

Particulars	Q1FY14	Q4FY13	%Change (QoQ)	Q1FY13	%Change (YoY)
Production (MT)	70,209	66,775	5%	83,369	(16%)
<i>Capacity Utilization(%)</i>	67%	65%	2%	81%	(14%)
Total Sales Volume (MT)	68,628	69,600	(1%)	80,311	(15%)
Domestic (MT)	47,783	48,375	(1%)	58,293	(18%)
Export (MT)	20,845	21,225	(2%)	22,018	(5%)
	₹ Crs	₹ Crs		₹ Crs	
Net Sales	526	535	(2%)	621	(15%)
EBITDA (before forex)	24	31	(23%)	49	(51%)
EBITDA%	1.7%	5.8%	-	7.9%	-
PBT	(48)	1.5	-	8	-
PAT	(52)	5	-	7	-

Performance Summary: YoY

Particulars	FY13	FY12	% Change
Production (MT)	296,555	316,508	(6%)
<i>Capacity Utilization(%)</i>	72%	77%	(5%)
Total Sales Volume (MT)	293,309	314,348	(7%)
Domestic (MT)	208,136	214,319	(3%)
Export (MT)	85,173	100,029	(15%)
	₹ Crs	₹ Crs	
Net Sales	2285	2187	5%
EBITDA (before forex)	110	234	(53%)
EBITDA%	4.8%	10.7%	-
PBT	(40)	103	(139%)
PAT	(21)	87	(124%)

Power Sales

	Power Sales (KwH in lacs)	Net Sales (₹ Crs)	Net Realization
Q1 FY12	712	22.53	3.16
Q2 FY12	598	18.06	3.02
Q3 FY12	671	20.33	3.03
Q4 FY12	715	20.92	2.93
Q1FY13	792	24.39	3.08
Q2FY13	725	21.04	2.90
Q3FY13	657	19.19	2.92
Q4FY13	550	18.73	3.41
Q1FY14	488	15.54	3.18

Highlights of Q1 FY14

- The Net Sales during Q1FY14 reduced by 15% compared to Q1FY13 due to lower sales volume.
- Forex loss of Rs 31 crs is MTM and non cash charge on outstanding borrowings as on 30th June and all those liabilities will mature over a period from September to January 14. This provision is as per accounting standard AS 11
- Premium cost of Rs 14 crs has been taken in other expenses and forex MTM loss is shown under forex loss. The above is done as per accounting standard AS11.
- The government has imposed safeguard Duty of 30% from 5th October'12 till 5th October'13 and 25% on import of carbon black from China till 31st December 2013. The imports in India from China is expected to reduce.

Outlook for Q2 FY14

- Sales volume expected to improve
- Average realization on power is expected to be in line with Q1FY14

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.

Thank You