

Phillips Carbon Black Ltd

Investor Update Q4 FY13



Performance Summary

Particulars	Q4FY13	Q3FY13	%Change (QoQ)	Q4FY12	%Change (YoY)
Production (MT)	66,775	72,531	(8%)	73,541	(9%)
<i>Capacity Utilization(%)</i>	65%	71%		71%	
Total Sales Volume (MT)	69,600	68,054	2%	74,768	(7%)
Domestic (MT)	48,375	49,327	(2%)	57,602	(16%)
Export (MT)	21,225	18,727	13%	17,166	24%
	₹ Crs	₹ Crs		₹ Crs	
Net Sales	535	546	(2%)	540	(0.9%)
EBITDA (before forex)	31	31	-	47	(34%)
EBITDA%	5.8%	5.7%		8.7%	
PBT	1.5	(14)	111%	6	(75%)
PAT	4.9	0.76	545%	5	(2%)
EPS (Fully Diluted) – ₹	1.43	0.22		1.47	

Performance Summary: YTD

Particulars	FY13	FY12	%Change
Production (MT)	296,555	316,508	(6%)
<i>Capacity Utilization(%)</i>	72%	77%	
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%)
EPS (Fully Diluted) – ₹	(5.99)	25.82	

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

Highlights of Q4 FY13

- Compared to last year, PBT for FY13 is a loss of Rs 40 crs due to lower product price and higher operating cost.
- There is an increase in export volume by 24% in Q4FY13 compared to Q4FY12 due to as increase in export volumes to US and Turkey. To utilize the enhanced capacity after commissioning of Cochin softline this year, exports are expected to increase to Europe and USA.
- Th CBFS prices is expected to rise with the economic revival of USA, China and stabilization of Euro Zone.
- 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 has reduced, however, imports from Korea are increasing where anti-dumping duty is not applicable.

Outlook for Q1 FY14

- Sales volume expected to be marginally better than previous quarter
- Margin in carbon black is expected to improve
- Average realization on power is expected to be in line with Q4FY13



Status of new projects

- The 50,000 MT Carbon Black expansion at Cochin plant commissioned in May'13
- MOU signed with Tamilnadu Govt for setting up new carbon black & power plant. Environment clearance is under process.
- The project work at Vietnam is under review in view of global developments
- Egypt project's application for Environment clearance being submitted



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

