

Phillips Carbon Black Ltd

investor Update Q2 FY13



Performance Summary

Particulars	Q2FY13	Q1FY13	%Change (QoQ)	Q2FY12	%Change (YoY)
Production (MT)	73,880	83,369	(11%)	83,781	(12%)
<i>Capacity Utilization(%)</i>	72%			82%	(10%)
Total Sales Volume (MT)	73,954	80,311	(8%)	80,502	(8%)
Domestic (MT)	52,140	58,293	(11.%)	46,141	13%
Export (MT)	21,814	22,018	(0.9%)	34,361	(37%)
	₹ Crs	₹ Crs		₹ Crs	
Net Sales	583	621	(6%)	564	3%
EBITDA (before forex)	(0.35)	49	(101%)	58	(101%)
EBITDA%	-	7.9%		10.3%	
PBT	(35)	8	(538%)	22	(259%)
PAT	(33)	7	(571%)	21	(257%)
EPS (Fully Diluted) – ₹	(9.55)	1.91		6.27	

Performance Summary: YoY

Particulars	H1FY13	H1FY12	%Change
Production (MT)	157,249	170,261	(8%)
<i>Capacity Utilization(%)</i>	77%	83%	(6%)
Total Sales Volume (MT)	154,266	167,819	(8%)
Domestic (MT)	110,434	107,089	3%
Export (MT)	43,832	60,730	(28%)
	₹ Crs	₹ Crs	
Net Sales	1,204	1,131	7%
EBITDA (before forex)	48	133	(64%)
EBITDA%	4.0%	11.8%	
PBT	(27)	77	(135%)
PAT	(26)	62	(142%)
EPS (Fully Diluted) – ₹	(7.64)	18.79	

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	26.30	3.32
Q2FY13	725	21.04	2.90

Highlights of Q2 FY13

- Compared to last year, Net Sales increased in Q2FY13 due to sales price increase on account of steep increase in raw material prices.
- There is a steep drop in export volume due to slowdown in Europe and very low export prices of China in S.E Asia market which made exports to S.E Asia market economically not viable.
- Import of carbon black has increased, despite the anti dumping duty on carbon black import
- The price of CBFS has continuously increased since April 2011 due to political disturbances in Middle East
- 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 Q3 FY13

- Sales volume expected to improve in Q3FY13
- Margin in carbon black expected to improve due to safeguard duty in place
- Average realization on power is expected to be in line with Q2FY13

Status of new projects

- The 50,000 MT Carbon Black expansion at Cochin plant is expected to be completed by Q3 FY13
- 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

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

