

Phillips Carbon Black Ltd

Investor Update Q2 FY14

Performance Summary

Particulars	Q2FY14	Q1FY14	%Change (QoQ)	Q2FY13	%Change (YoY)
Production (MT)	73,036	70,209	4%	73,880	(1%)
<i>Capacity Utilization(%)</i>	69%	67%	2%	72%	(3%)
Total Sales Volume (MT)	75,072	68,628	9%	73,954	1.5%
Domestic (MT)	54,569	47,783	15%	52,140	4.7%
Export (MT)	20,503	20,845	(2%)	21,814	(6%)
	₹ Crs	₹ Crs		₹ Crs	
Net Sales	597	526	13%	583	2%
EBITDA (before forex)	44	24	83%	(0.35)	-
EBITDA%	7.4%	1.7%	5.7%	-	-
PBT	(25)	(48)	48%	(35)	26%
PAT	(21)	(52)	60%	(33)	36%

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
Q2FY14	527	17.09	3.24

Highlights of Q2 FY14

- The Net Sales during Q2FY14 increased by 13% compared to Q1FY14 due to higher sales volume by 9%.
- EBIDTA before forex costs is higher at Rs 44 crs in Q2FY14 vis-à-vis Rs 24 crs in Q1FY14.
- There is higher hedging cost during the quarter due to increased rate and higher cover amount. However there is net foreign exchange gain during the quarter of Rs3.90 crs
- 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 FY14

- Sales volume expected to be better than previous quarter
- Average realization on power is expected to be in line with Q2FY14

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