

JBF INDUSTRIES LTD

Q3 - FY13 Earnings Presentation

February 2013



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The information in this overview reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change.

Key Highlights



❑ Consolidated un-audited Q3-FY13 performance:

- a. Income: INR 17,422 mn
- b. EBITDA: INR 1,772 mn; EBITDA Margin: 10.17%
- c. PAT: INR 298 mn; PAT Margin: 1.71%
- d. Diluted EPS: INR 4.02 / equity share

❑ Consolidated un-audited 9M-FY13 performance:

- a. Income: INR 53,511 mn
- b. EBITDA: INR 5,385 mn; EBITDA Margin: 10.06 %
- c. PAT: INR 1,130 mn; PAT Margin: 2.11 %
- d. Diluted EPS: INR 15.32 / equity share

Consolidated Results – Profit and Loss A/c



Income Statement	Q3-FY13	Q3-FY12	9M-FY 13	9M-FY12
Income	17,422	18,063	53,511	52,571
Total Expenses	15,650	16,315	48,126	47,104
EBITDA	1,772	1,748	5,385	5,467
<i>EBITDA Margin</i>	<i>10.17%</i>	<i>9.68%</i>	<i>10.06%</i>	<i>10.40%</i>
Exchange Difference & Derivative Loss	359	1,083	1,070	2,142
Depreciation	508	400	1,477	1,113
Interest	575	446	1,542	1,059
Other Income	7	714	26	745
PBT	337	533	1,322	1,898
Tax	39	(179)	192	(97)
Profit After Tax	298	712	1,130	1,995
<i>PAT Margin</i>	<i>1.71%</i>	<i>3.94%</i>	<i>2.11%</i>	<i>3.79%</i>
Diluted EPS	4.02	9.80	15.32	27.46

• *Income includes other income component.*
All numbers in INR Mn other than EPS

Standalone Results– Profit and Loss A/c



Income Statement	Q3-FY13	Q3-FY12	9M-FY 13	9M-FY12
Income	10,189	11,119	32,909	32,069
Total Expenses	9,177	10,140	29,714	29,113
EBITDA	1,012	979	3,195	2,956
<i>EBITDA Margin</i>	<i>9.93%</i>	<i>8.80%</i>	<i>9.71%</i>	<i>9.22%</i>
Exchange Difference & Derivative Loss	364	1,126	1,114	2,158
Depreciation	262	216	736	618
Interest	296	254	802	570
Other Income	7	720	26	758
PBT	97	103	569	368
Tax	39	(179)	192	(97)
Profit After Tax	58	282	377	465
<i>PAT Margin</i>	<i>0.57%</i>	<i>2.54%</i>	<i>1.15%</i>	<i>1.45%</i>
Diluted EPS	0.72	3.86	4.96	6.34

• Income includes other income component.

All numbers in INR Mn other than EPS

Discussion & Analysis



Operations

- Consolidated Total Income reported at INR 17,422 mn in Q3-FY13
- Consolidated EBITDA reported at INR 1,772 mn in Q3-FY13
- Consolidated PAT reported at INR 298 mn in Q3-FY13
- Consolidated Diluted EPS was INR 4.02 / share in Q3-FY13

Key notes

- Consolidated Exchange losses of INR 359 mn for Q3-FY13, include losses on account of derivative contract (INR 102 mn) and foreign exchange losses (INR 257 mn).
- Supply of PTA although has improved it is still poor visavis a year ago. Raw material prices have also increased, creating pressure on the margins.

Expansion

- PTA Plant Project at Mangalore - satisfactory progress has been made in ground work. M/s Technip have been awarded contract for execution of project. It is expected to be commissioned by first quarter of 2015.
- Bio-Glycol Plant Project at Araraquara, Sao Paulo, Brazil, has received environmental clearance, land has been acquired, license for construction has been received and Engineering design has been completed.
- Polyester Film Plant Project At Bahrain, is progressing as per schedule. Machinery / equipment have started arriving in January 2013. First Flim Line is expected to be commissioned by June 2013.
- PET Plant project in Belgium, co-located with BP's plant, is likely to be commissioned by March 2014. Construction phase is in advanced stage and first lot of equipment has arrived.

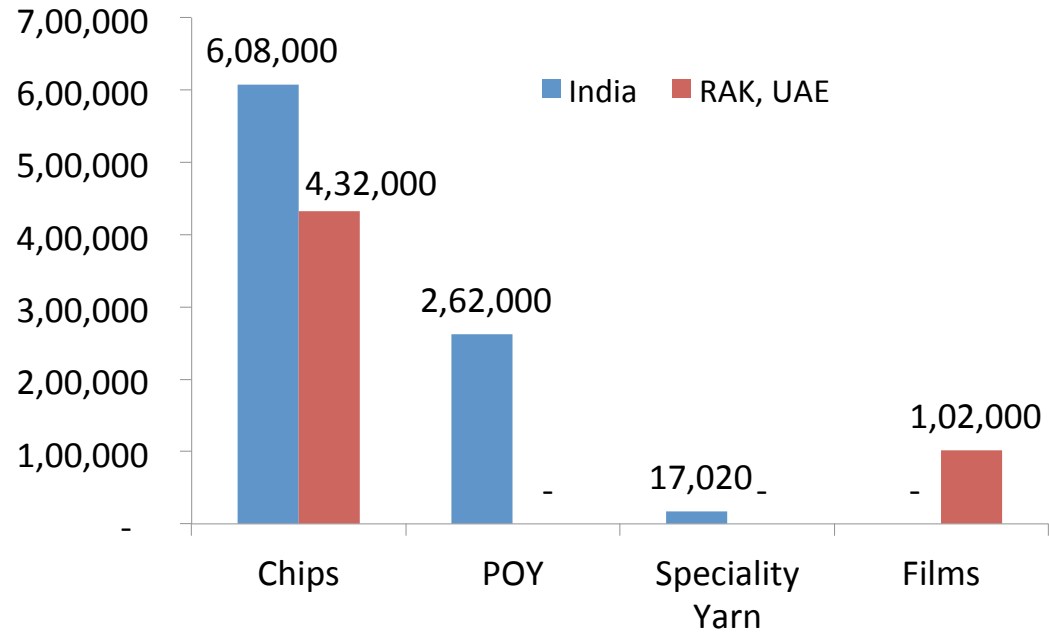
Business Outlook

- PTA availability domestically although better than a quarter ago, is still under pressure.
- Film realizations and demand has improved marginally.

Production Capacities



Capacities* (MT)	
INDIA	
CHIPS	608,000
POY & Specialty Yarn	279,020
Total	887,020
RAK, UAE	
CHIPS	432,000
FILMS	102,000
Total	534,000



Total polymerization capacity stands at 1,040,000 MT while downstream capacity stands at 381,020 MT

CHIPS – 1,040,000 MT

POY & Specialty yarn – 279,020 MT

Films – 102,000 MT

* Capacity information is as on 31st December, 2012

Operating Performance



India Sales (MT)	Q2-FY13	Q3-FY12	% Increase	9M-FY13	9M-FY12	% Increase
CHIPS (Textile + Bottle grade)	55,296	69,711	(20.68)%	199,602	197,776	0.92%
POY & Specialty Yarn	56,647	57,316	(1.17)%	164,622	170,458	(3.42)%
Total	111,943	127,027	(11.87)%	364,224	368,234	(1.09)%

RAK, UAE Sales (MT)	Q3-FY13	Q3-FY12	% Increase	9M-FY13	9M-FY12	% Increase
CHIPS (Bottle grade)	65,093	63,355	2.74%	174,857	188,167	(7.07)%
Films	18,943	15,517	22.08%	57,367	47,568	20.60%
Total	84,036	78,872	6.55%	232,224	235,735	(1.49)%

Pricing trends & Revenue Mix

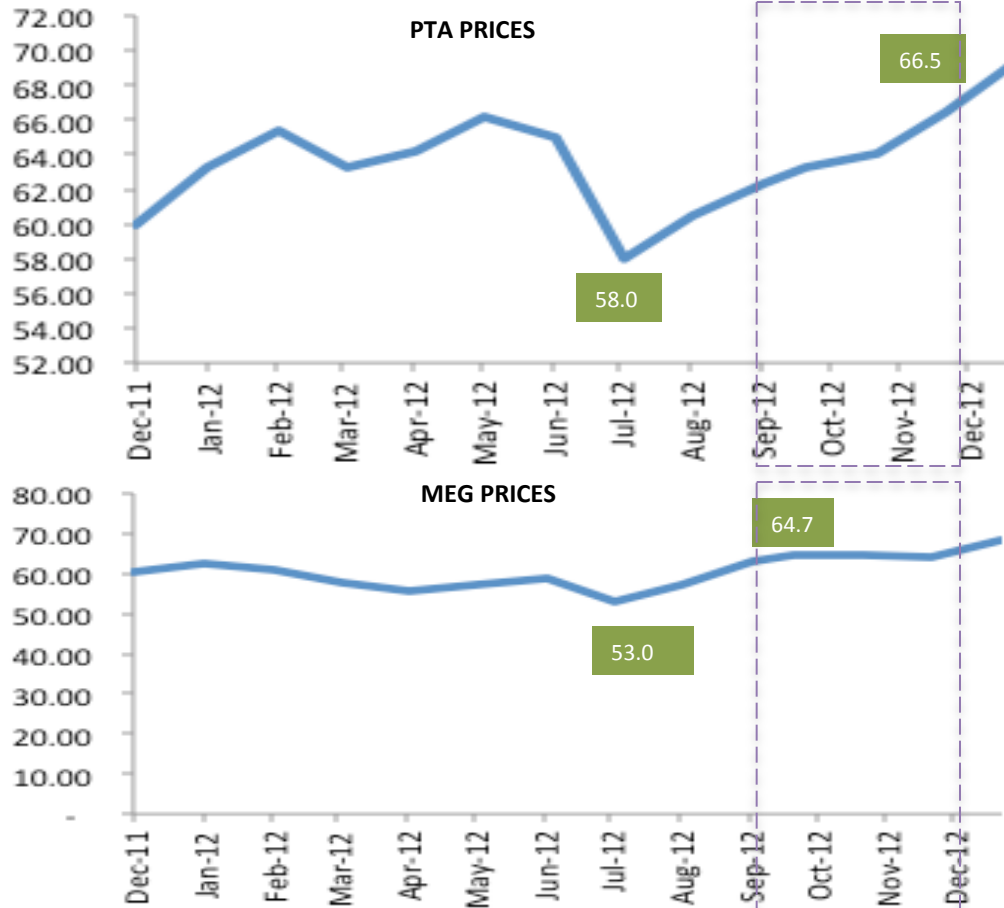


Price trends*						
Category	Q3-FY13	Q3-FY12	% Change	9M-FY13	9M-FY12	% Change
CHIPS (INDIA)(INR/Kg)	83	83	0.00%	82	82	0%
POY & Specialty Yarn (INR/Kg)	92	90	2.22%	92	90	2.22%
CHIPS (RAK) (USD/MT)	1,500	1,600	(6.94)%	1,450	1,700	(14.71)%
FILMS (USD/MT)	2,200	2,400	(11.05)%	2,300	2,700	(14.81)%

*Prices mentioned above are the average prices for standard products in the industry, It could differ from the sale price achieved by the company

Revenue Mix						
Category	Q3-FY13	Q3-FY12	Change	9M-FY13	9M-FY12	% Change
CHIPS (INDIA)	26%	31%	(50) bps	33%	30%	30 bps
POY & Specialty Yarn	32%	30%	20 bps	33%	31%	20 bps
CHIPS (RAK)	29%	28%	10 bps	20%	28%	(80) bps
FILMS	13%	11%	20 bps	14%	11%	30 bps

Raw materials & Deltas



52 week High – INR 66.50
 52 week Low – INR 58.00
 DEC'12 – INR 66.50

PTA prices averaged at INR 64.57/kg in Q3FY13 vs INR 63.17/kg for Q3FY12

52 week High – INR 64.70
 52 week Low – INR 53.00
 DEC'12 – INR 64.30

MEG prices averaged at INR 64.47/kg for Q3FY13 vs INR 63.27/kg for Q3FY12

Industry level Deltas for Standardized products Q3-FY13 (Delta = Sale price – Raw Material cost):
 a. Chips – INR 6/kg
 b. POY – INR 15/kg
 c. Films (blended of thick and thin films) – USD 750/Ton

Historical Consolidated Income Statement



Income Statement	FY 08	FY 09	FY 10	FY 11	FY 12
Income *	28,948	43,537	49,689	64,836	72,616
Total Expenses	26,122	38,882	44,740	55,133	64,666
EBITDA	2,826	4,655	4,949	9,703	7,950
<i>EBITDA Margin</i>	<i>9.8%</i>	<i>10.7%</i>	<i>9.9%</i>	<i>15.0%</i>	<i>10.9%</i>
Exchange Difference & Derivative Loss	NA	NA	(149)	874	2,939
Depreciation	596	779	1,173	1,314	1,525
Interest ^	633	975	1,258	1,452	1,462
PBT	1,597	2,901	2,668	6,063	2,025
Tax	295	459	540	602	(205)
Profit After Tax	1,302	2,442	2,128	5,461	2,229
<i>PAT Margin</i>	<i>4.50%</i>	<i>5.61%</i>	<i>4.3%</i>	<i>8.4%</i>	<i>3.1%</i>
Minority Interest	(35.3)	553	224	-	-
Profit After Minority Interest	1,337	1,889	1,904	5,461	2,229
EPS	21.49	30.36	30.61	78.22	30.70

* - Income includes other income component.

^ - Interest amount for FY08 and FY09 includes amount by way of Forex (Gain)/Loss

All numbers in INR Mn other than EPS

Consolidated Balance Sheet



	Particulars	FY 12	FY11
A	EQUITIES & LIABILITIES		
Part -1	Shareholder Funds		
	(A) Equity Share Capital	720	717
	(B) 2.5% CRPS	884	266
	(C) Reserves & Surplus	15,395	13,554
	Total - Shareholder Funds	16,999	14,537
Part 2	Non Current Liabilities		
	(A) Long Term Boorrowings	13,768	9,596
	(B) Deferred Tax Liabilities (Net)	1,223	1,430
	(C) Long Term provisions	114	63
	Total - Non – Current Liabilities	15,105	11,089
Part 3	Current Liabilites		
	(A) Short term Borrowings	10,479	4,987
	(B) Trade Payables	9,294	10,326
	(C) Other Current Liabilites	4,640	4,012
	(D) Short-term provisions	909	862
	Total – Current Liabilities	25,323	20,187
A	GRAND TOTAL - EQUITIES & LIABILITES	57,427	45,813

	Particulars	FY 12	FY11
B	ASSETS		
Part -1	Non Current Assets		
	(A) Fixed Assets	29,333	22,894
	(B) Goodwill on Consolidation	891	778
	(C) Non-Current Investments	37	34
	(D) Long Term Loans & Advances	2,861	1,326
	(E) Other non-current assets	14	15
	Total - Non – Current Assets	33,136	25,047
Part 2	Current Assets		
	(A) Current Investments	629	1,246
	(B) Inventories	7,918	7,344
	(C) Trade Receivables	7,149	6,955
	(D) Cash and Bank Balances	3,987	2,350
	(E) Short-term loans and advances	4,452	2,804
	(F) Other current assets	158	67
	Total – Current Assets	24,292	20,766
B	GRAND TOTAL – ASSETS	57,427	45,813

All numbers in INR Mn other than EPS

Historical Consolidated Balance Sheet



Income Statement	FY 08	FY 09	FY 10	FY 11
Share Capital	622	622	622	717
Cumulative Redeemable Preference Shares (CRPS)	-	-	-	266
Reserves	5,211	6,709	8,117	13,555
Net worth	5,933	7,331	8,740	14,538
Minority Interest	3,161	3,997	3,633	-
Loan Funds	8,366	12,414	13,644	17,836
TOTAL LIABILITES	17,459	23,743	26,016	32,374
Net Fixed Assets (Incl Capital WIP)	13,361	20,837	21,165	24,705
Investments	594	361	1,310	1,280
Net Current Assets (Excluding Cash)	1,133	2,873	3,880	5,469
Cash & Bank	3,353	899	999	2,350
Deferred Tax Liability (Net)	-982	-1,226	-1,337	-1,430
TOTAL ASSETS	17,459	23,743	26,016	32,374

All numbers in INR Mn other than EPS

Thank You

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