

JBF INDUSTRIES LTD

Q2 -FY12 Results Presentation

November 2011



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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



- ❑ Total Income (consolidated) reported of Rs. 18,559 mn for Q2-FY12.
- ❑ EBITDA (consolidated) reported at Rs. 2,135 mn for Q2-FY12; EBITDA Margin for Q2-FY12 were at 11.5%.
- ❑ Profit after tax (consolidated) reported at Rs. 760 mn for Q2-FY12; PAT Margin for Q2-FY12 were at 4.1%.
- ❑ EPS (consolidated) reported of Rs. 10.57 per equity share for Q2-FY12.
- ❑ H1-FY12 Consolidated performance:
 - a. Income – Rs. 34,539 mn
 - b. EBITDA – Rs. 3,757 mn; EBITDA Margin – 10.9%
 - c. PAT – Rs. 1,283 mn; PAT Margin – 3.7%
 - d. EPS – Rs. 17.84 / share
- ❑ Expansion of Chips Capacity in RAK has increased to 432,000MT, while in India, Chips capacity currently stands at 608,800MT
- ❑ Company is on track to set up a Purified Terephthalic Acid (PTA) plant at Mangalore SEZ having capacity of 1.12 mn TPA. Land has been allotted to JBF in the Mangalore SEZ for this project.

Financial Highlights - Consolidated



Income Statement Consolidated (Rs. Mn)	Q2-FY 12	Q2-FY11	Y-o-Y Growth %	Q1FY 12	Q-o-Q Growth %
Income	18,559	14,162	31%	15,980	16%
Total Expenses	16,424	11,855	39%	14,359	14%
EBITDA	2,135	2,307	-7%	1,621	32%
<i>EBITDA Margin</i>	<i>11.50%</i>	<i>16.20%</i>	<i>(470) bps</i>	<i>10.10%</i>	<i>140 bps</i>
PBT	812	1,527	-47%	554	47%
Tax	52	220	-76%	31	68%
Minority Interest	-	286		-	
Profit After Tax (Post minority interest)	760	1,020	-25%	523	45%
<i>PAT Margin</i>	<i>4.10%</i>	<i>7.20%</i>	<i>(310) bps</i>	<i>3.30%</i>	<i>80 bps</i>
EPS	10.57	16.07	-34%	7.29	45%

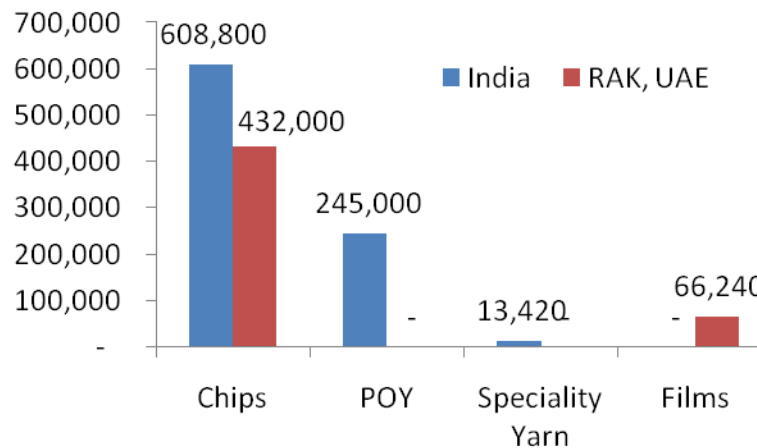
Profit impacted by Exchange difference and derivative losses of Rs. 630 mn

JBF Industries Ltd now holds 100% stake in JBF RAK. Financial results are therefore, consolidated to the extent of 100%.

Capacities *



Capacities (MT)	
INDIA	
CHIPS	608,800
POY & Specialty Yarn	258,420
RAK, UAE	
CHIPS	432,000
FILMS	66,240



Total polymerization capacity stands at 10,40,800 MT while downstream capacity stands at 324,660 MT

CHIPS – 10,40,800 MT POY & Specialty yarn – 258,420 MT Films – 66,240 MT

* Capacity information is as on 30th September, 2011.

Operating Performance



India Operating Performance (MT)							
PRODUCTION	Q2-FY12	Q2-FY11	% Increase	H1-FY12	H1-FY11	% Increase	FY11
CHIPS	133,275	126,763	5.1%	236,036	249,642	(5.5%)	4,84,389
POY & Specialty Yarn	64,452	54,340	18.6%	113,303	101,023	12.1%	2,19,136
Total	197,727	181,103	9.2%	349,339	350,665	(0.4%)	7,03,525
SALES							
CHIPS	74,147	81,483	(9.0)%	128,065	163,494	(21.7%)	2,76,376
POY & Specialty Yarn	64,754	53,632	20.7%	113,142	96,530	17.2%	2,07,069
Total	138,901	135,115	2.8%	241,207	260,024	(7.2%)	4,83,445
RAK, UAE Operating Performance (MT)							
PRODUCTION	Q2-FY12	Q2-FY11	% Increase	H1-FY12	H1-FY11	% Increase	FY11
CHIPS	60,258	78,519	(23.2%)	144,779	158,753	(8.8%)	3,39,010
Films	16,944	18,902	(10.3%)	33,550	37,254	(9.9%)	75,462
Total	77,202	97,421	(20.8%)	178,329	196,007	(9.0%)	4,14,472
SALES							
CHIPS	64,367	56,947	13.0%	124,812	120,385	3.7%	2,78,356
Films	16,461	19,295	(14.7%)	32,051	37,777	(15.1%)	76,374
Total	80,828	76,242	6.0%	156,863	158,162	(0.8%)	3,54,730

Chips' Sales numbers are reported post inter-division sale/usage for the manufacturing of downstream products viz. POY, Films etc.

Pricing trends & Revenue Mix

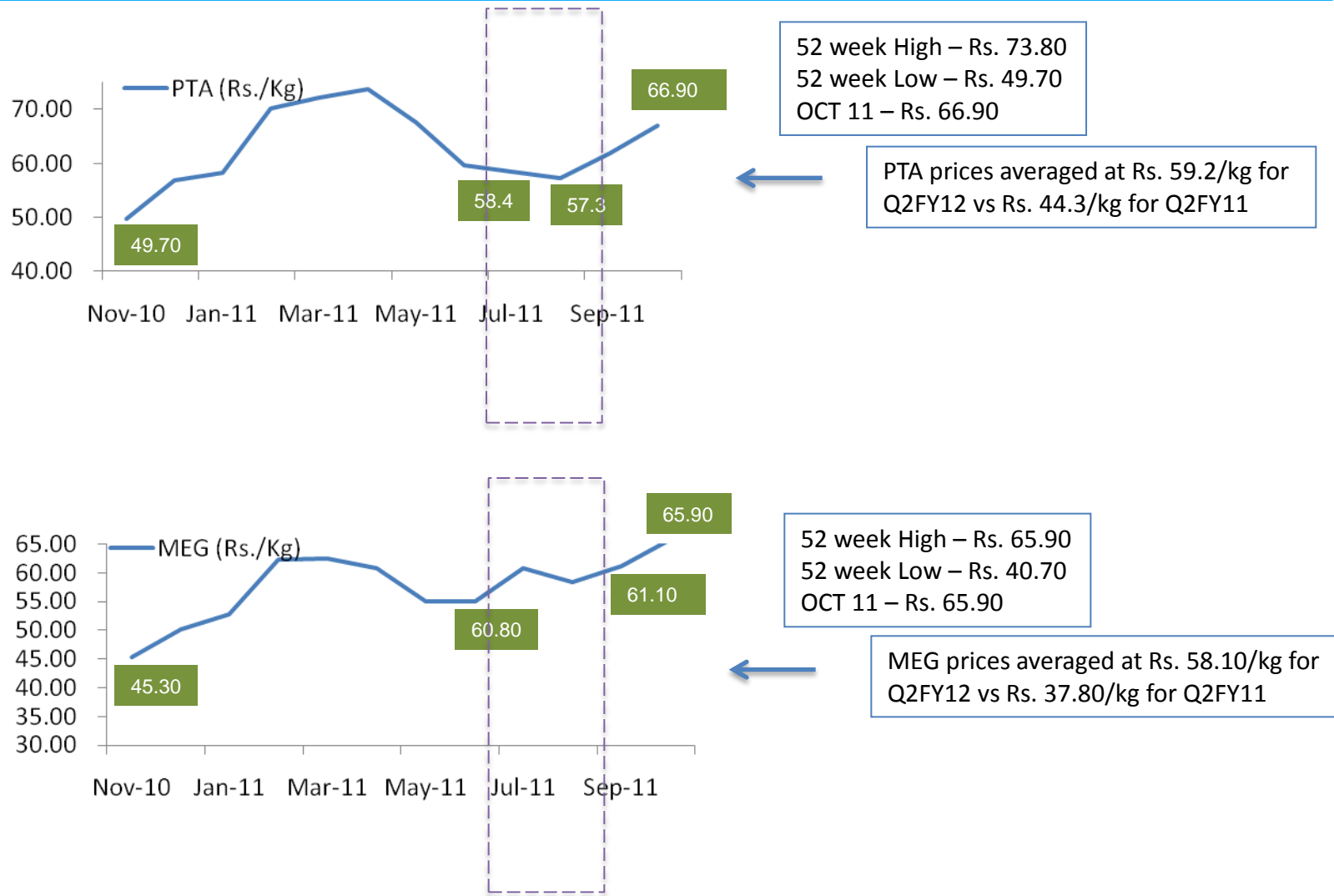


Price trends*							
Category	Q2-FY12	Q2-FY11	% Increase	H1-FY12	H1-FY11	% Increase	FY11
CHIPS (INDIA)(Rs./Kg)	79	59	34%	79	60	32%	67
POY & Specialty Yarn (Rs./Kg)	86	69	20%	95	71	34%	80
CHIPS (RAK) (USD/MT)	1,700	1,275	33%	1,700	1,350	26%	1,465
FILMS (USD/MT)	2,600	2,950	(12%)	2,900	2,600	10%	3,333

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

Revenue Mix							
Category	Q2-FY12	Q2-FY11	% Increase	H1-FY12	H1-FY11	% Increase	FY11
CHIPS (INDIA)	31%	33%	(200)Bps	30%	35%	(500) Bps	28%
POY & Specialty Yarn	32%	26%	600 Bps	30%	24%	600 Bps	26%
CHIPS (RAK)	27%	23%	400 Bps	28%	25%	300 Bps	28%
FILMS	10%	18%	(800 Bps)	12%	16%	(400) Bps	18%

Raw materials



Discussion & Analysis



Operations:

- Total Income (Cons) increased by 31% to Rs. 18,559 mn in Q2FY12 to Rs. 14,172 mn in Q2FY11.
- EBITDA (Cons) stood at Rs. 2,135 mn in Q2FY12 vs Rs. 2,317 mn in Q2FY11.
- PAT (Cons) stood at Rs. 760 mn for Q2FY12 vs. Rs. 1,307mn for Q2FY11.
- EPS (Cons) stood at Rs. 10.57 per equity share for Q2FY12 vs. Rs. 16.07 for Q2FY11.

Expansion:

- Chips capacity in RAK has been increased to 432,000 MT p.a.
- De-bottlenecking will enhance Chips capacity in India to 626,000MT p.a.
- Adding Film capacity (Thick Films/BOPET Films) in RAK. Total Films capacity to be enhanced will be enhanced to 102,000 MT p.a. by December 2011.

Business Outlook:

- Domestic industry witnessing oversupply situation both in terms of Chips and POY.
- Volatility in raw material prices continues.
- Films segment has seen excess global inventory build up leading to price correction.

Standalone Results – Profit and Loss A/c



Income Statement	Q2-FY12	Q2-FY11	H1-FY 12	H1-FY11	FY11
Income	11,771	8,684	20,988	17,203	35,731
Total Expenses	10,640	7,571	18,964	15,187	31,459
EBITDA	1,131	1,113	2,024	2,016	4,272
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>12.8%</i>	<i>9.6%</i>	<i>11.7%</i>	<i>11.9%</i>
Exchange Difference & Derivative Loss	615	108	1,059	226	914
Depreciation	211	182	402	357	734
Interest	171	182	298	365	710
PBT	134	641	265	1,068	1,916
Tax	51	220	82	330	602
Profit After Tax	83	421	183	738	1,314
<i>PAT Margin</i>	<i>0.7%</i>	<i>4.8%</i>	<i>0.8%</i>	<i>4.3%</i>	<i>3.7%</i>
EPS	1.13	6.62	2.50	11.70	18.35

All numbers in Rs. Mn other than EPS

Consolidated Results – Profit and Loss A/c



Income Statement	Q2-FY12	Q2-FY11	H1-FY 12	H1-FY11	FY 11
Income	18,559	14,172	34,539	28,333	64,836
Total Expenses	16,424	11,855	30,782	24,441	55,127
EBITDA	2,135	2,317	3,757	3,892	9,709
<i>EBITDA Margin</i>	<i>11.5%</i>	<i>16.3%</i>	<i>10.9%</i>	<i>13.7%</i>	<i>15.0%</i>
Exchange Difference & Derivative Loss	630	122	1,084	252	945
Depreciation	371	328	713	641	1,314
Interest	323	341	594	700	1,387
PBT	811	1,526	1366	2,299	6,063
Tax	51	219	83	330	602
Profit After Tax	760	1,307	1,283	1,969	5,461
<i>PAT Margin</i>	<i>4.1%</i>	<i>7.2%</i>	<i>3.7%</i>	<i>6.9%</i>	<i>8.4%</i>
Minority Interest	-	288	-	401	-
Profit After Minority Interest	760	1,019	1,283	1,568	5,461
EPS	10.57	16.07	17.84	24.88	76.21

All numbers in Rs. Mn other than EPS

Balance Sheet - Consolidated



Income Statement	FY 08	FY 09	FY 10	FY 11	H1-FY 12
Share Capital	622	622	622	717	717
Cumulative Redeemable Preference Shares (CRPS)	-	-	-	266	266
Reserves	5,211	6,709	8,117	13,555	15,579
Net worth	5,933	7,331	8,740	14,538	16,562
Minority Interest	3,161	3,997	3,633	-	-
Loan Funds	8,366	12,414	13,644	17,836	23,976
TOTAL LIABILITES	17,459	23,743	26,016	32,374	40,538
Net Fixed Assets (Incl Capital WIP)	13,361	20,837	21,165	24,705	28,097
Investments	594	361	1,310	1,280	981
Net Current Assets (Excluding Cash)	1,133	2,873	3,880	5,469	7,543
Cash & Bank	3,353	899	999	2,350	5,427
Deferred Tax Liability (Net)	-982	-1,226	-1,337	-1,430	-1,510
TOTAL ASSETS	17,459	23,743	26,016	32,374	40,538

All numbers in Rs. Mn other than EPS

Historical Consolidated Results – Profit and Loss A/c



Income Statement	FY 08	FY 09	FY 10	FY 11
Income	28,948	43,537	49,689	64,836
Total Expenses	26,122	38,882	44,740	55,127
EBITDA	2,826	4,655	4,949	9,709
<i>EBITDA Margin</i>	9.8%	10.7%	9.9%	15.0%
Exchange Difference & Derivative Loss	NA	NA	(149)	945
Depreciation	596	779	1,173	1,314
Interest *	633	975	1,258	1,387
PBT	1,597	2,901	2,668	6,063
Tax	295	459	540	602
Profit After Tax	1,302	2,442	2,128	5,461
<i>PAT Margin</i>	4.50%	5.61%	4.3%	8.4%
Minority Interest	(35.3)	553	224	-
Profit After Minority Interest	1,337	1,889	1,904	5,461
EPS	21.49	30.36	30.61	76.21

**Interest amount for FY08 and FY09 includes amount by way of Forex (Gain)/Loss
All numbers in Rs. Mn other than EPS*

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Thank You

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