

JBF INDUSTRIES LTD

FY12 Annual & Q4 - FY12 Results Presentation
May 2012



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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



❑ FY12 (consolidated) performance:

- a. Total Income – INR 72,616 mn
- b. EBITDA – INR 7,950 mn; EBITDA Margin – 10.9%
- c. PAT – INR 2,229 mn; PAT Margin – 3.1%
- d. Diluted EPS – INR 30.70 / equity share

❑ Q4-FY12 (consolidated) performance:

- a. Total Income - INR 19,299 mn
- b. EBITDA - INR 1,737 mn; EBITDA Margin 9.0%
- c. PAT - INR 235 mn; PAT Margin - 1.2%
- d. Diluted EPS - INR 3.22 / equity share

❑ Board of Directors have recommended a dividend of Rs. 8 per equity share subject to approval from Shareholders at the AGM

❑ Second tranche of USD 12 mn out of total derivative contract of USD 20 mn will get paid in July 2012. Outstanding derivative contract will get reduced to USD 4 mn thereafter.

Annual Financial Highlights - Consolidated



Income Statement	FY12	FY11
Income *	72,616	64,836
Total Expenses	64,666	55,133
EBITDA	7,950	9,703
<i>EBITDA Margin</i>	<i>10.9%</i>	<i>15.0%</i>
Exchange Difference & Derivative Loss	2,939	874
Depreciation	1,525	1,314
Interest	1,462	1,452
PBT	2,025	6,063
Tax	(205)	602
Profit After Tax	2,229	5,461
<i>PAT Margin</i>	<i>3.1%</i>	<i>8.4%</i>
Diluted EPS	30.70	78.22

Drop in EBITDA due to film prices reaching normalized levels in FY12 and also rise in raw material cost

FY12 Profit impacted by Exchange difference and derivative losses of INR2,939mn

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

Quarterly Financial Highlights - Consolidated



Income Statement	Q4-FY12	Q4-FY11
Income *	19,299	19,368
Total Expenses	17,562	16,593
EBITDA	1,737	2,775
<i>EBITDA Margin</i>	<i>9.0%</i>	<i>14.3%</i>
Exchange Difference & Derivative Loss	797	276
Depreciation	411	336
Interest	402	413
PBT	127	1,750
Tax	(108)	114
Profit After Tax	235	1,636
<i>PAT Margin</i>	<i>1.2%</i>	<i>8.4%</i>
Diluted EPS	3.22	22.54

Drop in EBITDA due to film prices reaching normalized levels in FY12 and also rise in raw material cost

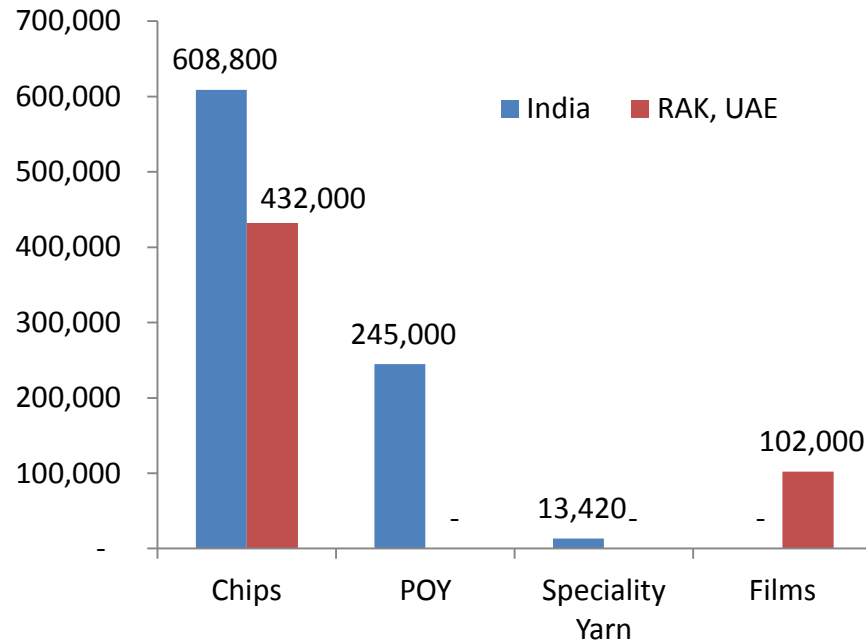
FY12 Profit impacted by Exchange difference and derivative losses of INR797mn

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

Production Capacities



Capacities* (MT)	
INDIA	
CHIPS	608,800
POY & Specialty Yarn	258,420
Total	867,220
RAK, UAE	
CHIPS	432,000
FILMS ^	102,000
Total	534,000



Total polymerization capacity stands at 10,40,800 MT while downstream capacity stands at 360,420 MT

CHIPS – 10,40,800 MT POY & Specialty yarn – 258,420 MT Films – 102,000 MT

* Capacity information is as on 31st March, 2012

^ Commercial production of new line of thick films commenced in March 2012

Operating Performance



India Sales (MT)	Q4-FY12	Q4-FY11	% Increase	FY12	FY11	% Increase
CHIPS (Textile + Bottle grade)	75,457	56,618	33.3%	273,233	276,376	(1.1)%
POY & Specialty Yarn	56,711	53,493	6.0%	227,169	207,069	9.7%
Total	132,168	110,111	20.0%	500,402	4,83,445	3.5%

RAK, UAE Sales (MT)	Q4-FY12	Q4-FY11	% Increase	FY12	FY11	% Increase
CHIPS (Bottle grade)	68,112	69,739	(2.3)%	256,279	278,356	(7.9)%
Films	18,201	20,807	(12.5)%	65,769	76,374	(13.9)%
Total	86,313	90,546	(4.7)%	322,048	354,730	(9.2)%

Pricing trends & Revenue Mix

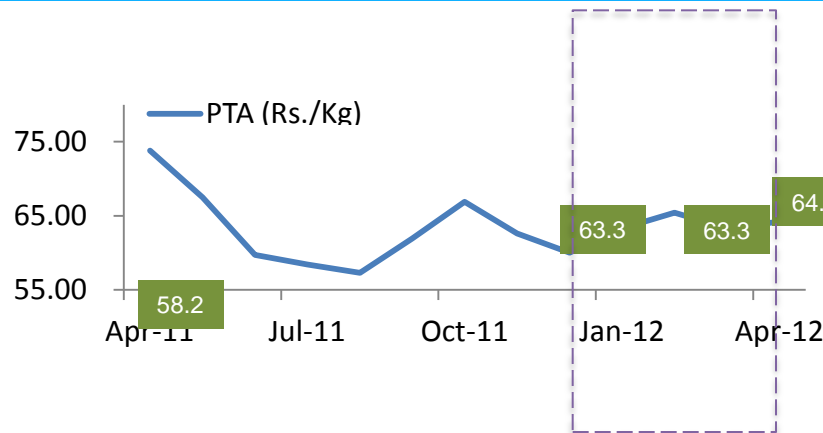


Price trends*						
Category	Q4-FY12	Q4-FY11	% Change	FY12	FY11	% Change
CHIPS (INDIA)(INR/Kg)	83	88	(6)%	83	70	19%
POY & Specialty Yarn (INR/Kg)	91	98	(7)%	91	80	13%
CHIPS (RAK) (USD/MT)	1,600	1,792	(10.2)%	1,650	1,444	14.5%
FILMS (USD/MT)	2,250	4,020	(43.7)%	2,550	3,308	(21.7)%

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

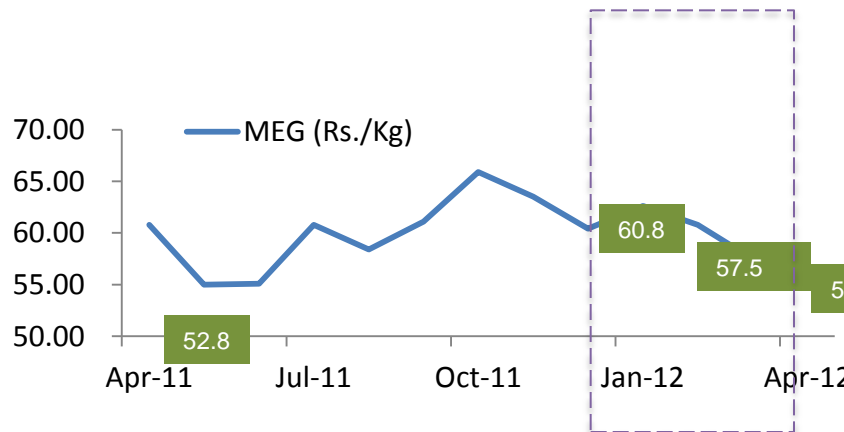
Revenue Mix						
Category	Q4-FY12	Q4-FY11	% Change	FY12	FY11	% Change
CHIPS (INDIA)	32%	24%	80bps	31%	28%	30bps
POY & Specialty Yarn	29%	27%	20bps	30%	26%	40bps
CHIPS (RAK)	28%	29%	(10)bps	28%	28%	-
FILMS	11%	20%	(90)bps	11%	18%	(70)bps

Raw materials & Deltas



52 week High – INR 67.50
 52 week Low – INR 57.30
 APR'12 – INR 64.20

PTA prices averaged at INR 64.00/kg for Q4FY12 vs INR 66.83/kg for Q4FY11



52 week High – INR 65.90
 52 week Low – INR 55.00
 APR'12 – INR 55.40

MEG prices averaged at INR 60.30/kg for Q4FY12 vs INR 59.17/kg for Q4FY11

Industry level Deltas for Q4-FY12 (Delta = Sale price – Raw Material cost)

- a. Chips – INR 7.46/kg
- b. POY – INR 15.79/kg
- c. Films (blended of thick and thin films) – USD 750/Ton

Discussion & Analysis



Operations

- Total Income (Cons) remained flat at INR 19,299 mn in Q4FY12 from INR 19,368 mn in Q4FY11
- EBITDA (Cons) stood at INR 1,737 mn in Q4FY12 vs INR 2,775 mn in Q4FY11
- PAT (Cons) stood at INR 235 mn for Q4FY12 vs. INR 1,636 mn for Q4FY11
- Diluted EPS (Cons) stood at INR 3.22 per equity share for Q4FY12 vs. INR 22.54 per equity share for Q4FY11

Expansion

- Environmental clearances achieved for setting up the Purified Terephthalic Acid (PTA) plant at Mangalore SEZ (Investment USD 600mn)
- Technology partner selected for Bahrain (Investment USD 200mn) and Belgium projects (Investment USD 200mn)

Key notes

- There was an increase in other income (in Q3-FY12) which was primarily due to redemption/reduction of preference shares/ordinary shares held by the company in its subsidiary JBF Global Pte. Ltd., Singapore, resulting in a gain of INR 703mn. The redemption/reduction has happened at par/cost to the company and gain is mainly on account of exchange rate difference
- For FY12, Income Tax of INR (205) mn is on account of deferred tax credit due to higher exchange losses and higher depreciation as per Income Tax Act. During the year company may end up paying taxes under MAT (Section 115JB)
- Exchange losses of INR 2,939 mn for FY12, include losses on account of derivative contract (INR 1,678 mn) and foreign exchange losses (INR 1,261 mn) for the year ended 31st March, 2012. For Q4FY12 Exchange losses were INR 797mn which includes losses on account of derivative contract (INR 445mn) and foreign exchange losses (INR 352 mn)
- Low production of chips in RAK was due to shortage in availability of PTA

Business Outlook

- Weak rupee and volatility in forex leading to price fluctuations of raw material prices
- PTA availability domestically remains a concern due to technical issues with PTA manufacturers like IOC and Mitsubishi
- Film segment pricing has stabilized; currently Film prices hovering at ~ USD 2600-2800/ton

Standalone Results – Profit and Loss A/c



Income Statement	Q4-FY12	Q4-FY11	FY 12	FY11
Income *	11,839	10,058	44,666	35,731
Total Expenses	10,704	8,940	39,817	31,466
EBITDA	1,135	1,118	4,849	4,265
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>11.1%</i>	<i>10.9%</i>	<i>11.9%</i>
Exchange Difference & Derivative Loss	792	345	2,951	825
Depreciation	221	189	839	734
Interest	206	193	776	791
PBT	(85)	392	283	1,916
Tax	(108)	114	(205)	602
Profit After Tax	23	278	488	1,314
<i>PAT Margin</i>	<i>0.2%</i>	<i>2.8%</i>	<i>1.1%</i>	<i>3.7%</i>
Diluted EPS	0.29	3.82	6.63	18.81

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

Historical Consolidated Results – Profit and Loss A/c



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 Results – 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 Borrowings	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 Liabilities		
	(A) Short term Borrowings	10,479	4,987
	(B) Trade Payables	9,294	10,326
	(C) Other Current Liabilities	4,640	4,012
	(D) Short-term provisions	909	862
	Total – Current Liabilities	25,323	20,187
A	GRAND TOTAL - EQUITIES & LIABILITIES	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 Balance Sheet - Consolidated



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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