


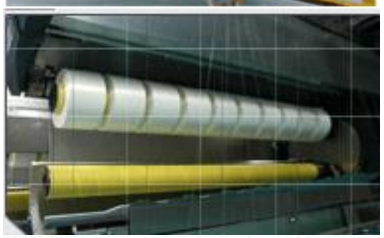


JBF INDUSTRIES LTD

Q1 - FY13 Earnings Presentation

August 2012

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Key Highlights

- **Un-audited Q1-FY13 (consolidated) performance:**
  a. Total Income: INR 17,989 mn
  b. EBITDA: INR 1,901 mn; EBITDA Margin 10.6%
  c. PAT: INR 337 mn; PAT Margin - 1.9%
  d. Diluted EPS: INR 4.57 / equity share

- Second tranche of USD 12 mn out of total derivative contract of USD 20 mn was paid in July 2012. Outstanding derivative contract gets reduced to USD 4 mn.

- Company has entered in a technical tie-up with British Petroleum (BP) for its 1.25mn tonnes p.a. PTA plant in Mangalore, India. This is a first of its kind partnership for BP, wherein they have licensed technology without any equity participation, and has major benefits for JBF.

Quarterly Financial Highlights - Consolidated

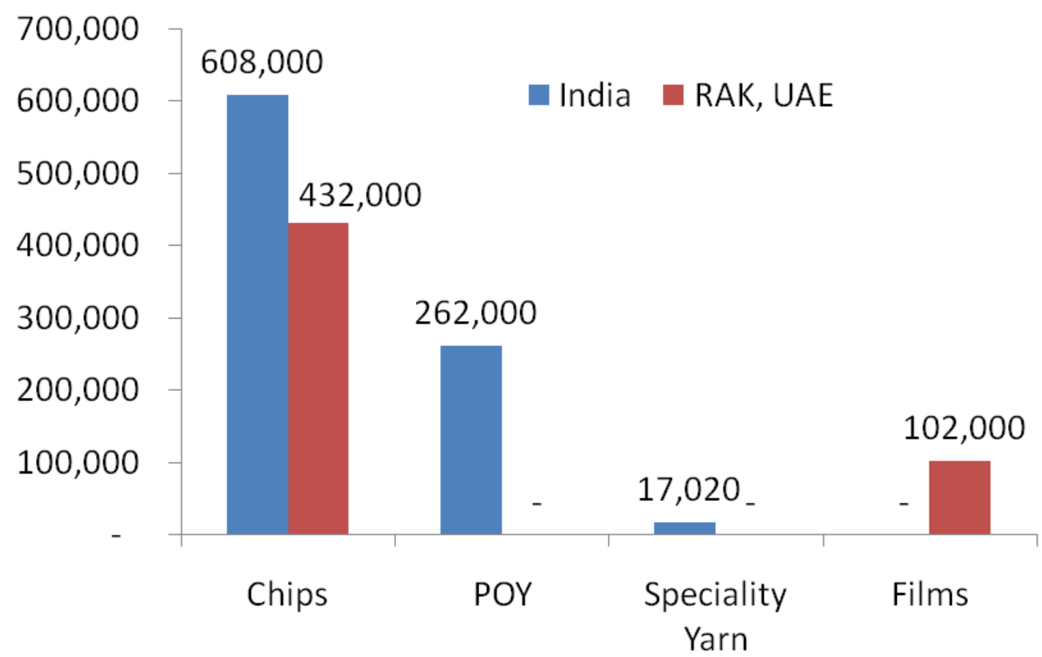
Income Statement	Q1-FY13	Q1-FY12
Income *	**17,989**	**15,980**
Total Expenses	16,088	14,364
EBITDA	**1,901**	**1,616**
EBITDA Margin	*10.6%*	*10.1%*
Exchange Difference & Derivative Loss	591	448
Depreciation	471	342
Interest	453	273
PBT	**386**	**553**
Tax	49	31
Profit After Tax	**337**	**522**
PAT Margin	*1.9%*	*3.3%*
Diluted EPS	***4.57***	**7.20**

Q1-FY13 Profit impacted by Exchange difference and derivative losses of INR 591 mn

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

Production Capacities

Capacities* (MT)	
INDIA	
CHIPS	608,000
POY & Specialty Yarn	279,020
Total	**959,020**
RAK, UAE	
CHIPS	432,000
FILMS	102,000
Total	**534,000**



Total polymerization capacity stands at 1,112,000 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 30th June, 2012*

Operating Performance

India Sales (MT)	Q1-FY13	Q1-FY12	% Increase	FY12	FY11	% Increase
CHIPS (Textile + Bottle grade)	79,844	53,918	48%	273,233	276,376	(1)%
POY & Specialty Yarn	54,162	48,388	12%	227,169	207,069	10%
Total	**134,006**	**102,306**	**31%**	**500,402**	**4,83,445**	**4%**

RAK, UAE Sales (MT)	Q1-FY13	Q1-FY12	% Increase	FY12	FY11	% Increase
CHIPS (Bottle grade)	43,455	60,445	(28)%	256,279	278,356	(8)%
Films	20,251	15,590	30%	65,769	76,374	(4)%
Total	**63,706**	**76,035**	(16)%	**322,048**	**354,730**	**(9)%**

Pricing trends & Revenue Mix

Price trends*

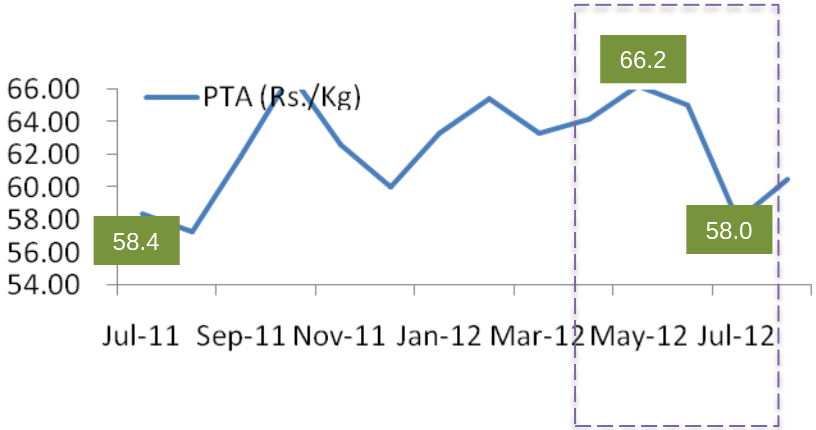
Category	Q1-FY13	Q1-FY12	% Change	FY12	FY11	% Change
CHIPS (INDIA)(INR/Kg)	84	86	(2)%	83	70	19%
POY & Specialty Yarn (INR/Kg)	92	95	(3)%	91	80	13%
CHIPS (RAK) (USD/MT)	1,490	1,740	(14)%	1,650	1,444	14.5%
FILMS (USD/MT)	2,400	3,200	(25)%	2,550	3,308	(21.7)%

**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

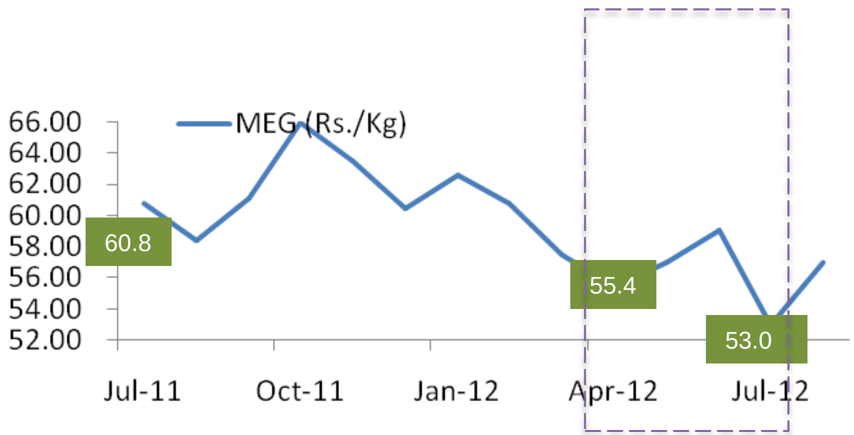
Category	Q1-FY13	Q1-FY12	% Change	FY12	FY11	% Change
CHIPS (INDIA)	36%	27%	900bps	31%	28%	30bps
POY & Specialty Yarn	30%	30%	_	30%	26%	40bps
CHIPS (RAK)	19%	29%	(1000)bps	28%	28%	-
FILMS	15%	14%	100bps	11%	18%	(70)bps

Raw materials & Deltas



52 week High – INR 66.90
52 week Low – INR 57.30
AUG'12– INR 60.50

PTA prices averaged at INR 65.00/kg for Q1FY13 vs INR 67/kg for Q1FY12



52 week High – INR 65.90
52 week Low – INR 55.40
AUG'12 – INR 57.00

MEG prices averaged at INR 57.13/kg for Q1FY13 vs INR 56.97/kg for Q1FY12

Industry level Deltas for Q1-FY13 (Delta = Sale price – Raw Material cost)

a. Chips – INR 8.23/kg
b. POY – INR 16.81/kg
c. Films (blended of thick and thin films) – USD 875/Ton

Discussion & Analysis

Operations

- Consolidated Total Income was higher by 13% at INR 17,989 mn in Q1-FY13 from INR 15,980 mn in Q1-FY12
- Consolidated EBITDA was higher by 18% at INR 1,901 mn in Q1-FY13 from INR 1,616 mn in Q1-FY12
- Consolidated PAT was lower by 35% at INR 337 mn in Q1-FY13 from INR 522 mn in Q1-FY12
- Consolidated Diluted EPS was INR 4.57 in Q1-FY13 vs. INR 7.20 for Q1-FY12

Key notes

- Consolidated Exchange losses of INR 591 mn for Q1-FY13, include losses on account of derivative contract (INR 397 mn) and foreign exchange losses (INR 194 mn)
- Low production of chips in RAK was due to a 3 week routine mandatory plant shut down that happens every 5 years

Expansion

- Company has achieved Financial Closure and Environmental clearances for setting up the 1.25 MMT p.a. PTA plant in Mangalore (Investment USD 600mn). Company has signed an agreement with British Petroleum for a First Third Party, Non-Affiliate, Licensing of latest generation PTA technology without any equity participation
- Technology partners selected for Bahrain (Investment USD 200mn) and Belgium projects (Investment USD 200mn)
- Construction for Bahrain plant has already begun

Business Outlook

- Weak rupee and volatility in forex leading to price fluctuations of raw material prices
- PTA availability domestically remains a concern due to unplanned shutdowns with all major PTA suppliers

Standalone Results – Profit and Loss A/c

Income Statement	Q1-FY13	Q1-FY12	FY 12	FY11
Income *	**12,092**	**9,217**	**44,666**	**35,731**
Total Expenses	10,962	8,329	39,817	31,466
EBITDA	**1,130**	**888**	**4,849**	**4,265**
EBITDA Margin	*9.3%*	*9.6%*	*10.9%*	*11.9%*
Exchange Difference & Derivative Loss	572	437	2,951	825
Depreciation	228	191	839	734
Interest	241	129	776	791
PBT	**89**	**131**	**283**	**1,916**
Tax	49	31	(205)	602
Profit After Tax	**40**	***100***	**488**	**1,314**
PAT Margin	*0.4%*	*1.1%*	*1.1%*	*3.7%*
Diluted EPS	***0.47***	**1.38**	***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**
EBITDA Margin	*9.8%*	*10.7%*	*9.9%*	*15.0%*	*10.9%*
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**
PAT Margin	*4.50%*	*5.61%*	*4.3%*	*8.4%*	*3.1%*
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 Boorowings	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 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 LIABITILITES	**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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