

JBF INDUSTRIES LTD

Q2 - FY13 Earnings Presentation

November 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



❑ Consolidated un-audited Q2-FY13 performance:

- a. Total Income: INR 18,119 mn
- b. EBITDA: INR 1,731 mn; EBITDA Margin 9.6 %
- c. PAT: INR 494 mn; PAT Margin – 2.7 %
- d. Diluted EPS: INR 6.71 / equity share

❑ Consolidated un-audited H1-FY13 performance:

- a. Total Income: INR 36,108 mn
- b. EBITDA: INR 3,631 mn; EBITDA Margin 10.1 %
- c. PAT: INR 831 mn; PAT Margin – 2.3 %
- d. Diluted EPS: INR 11.27 / equity share

❑ JBF Industries Ltd. has announced a project in tie-up with Coca-Cola to set up a production facility to produce 500,000 MT of “Green-MEG” or bio-glycol from using locally sourced sugarcane and sugarcane processing waste. Construction of the facility will begin at the end of the year and is expected to last for 24 months. Total cost of the facility is expected to be around USD 450 mn.

Quarterly Financial Highlights - Consolidated



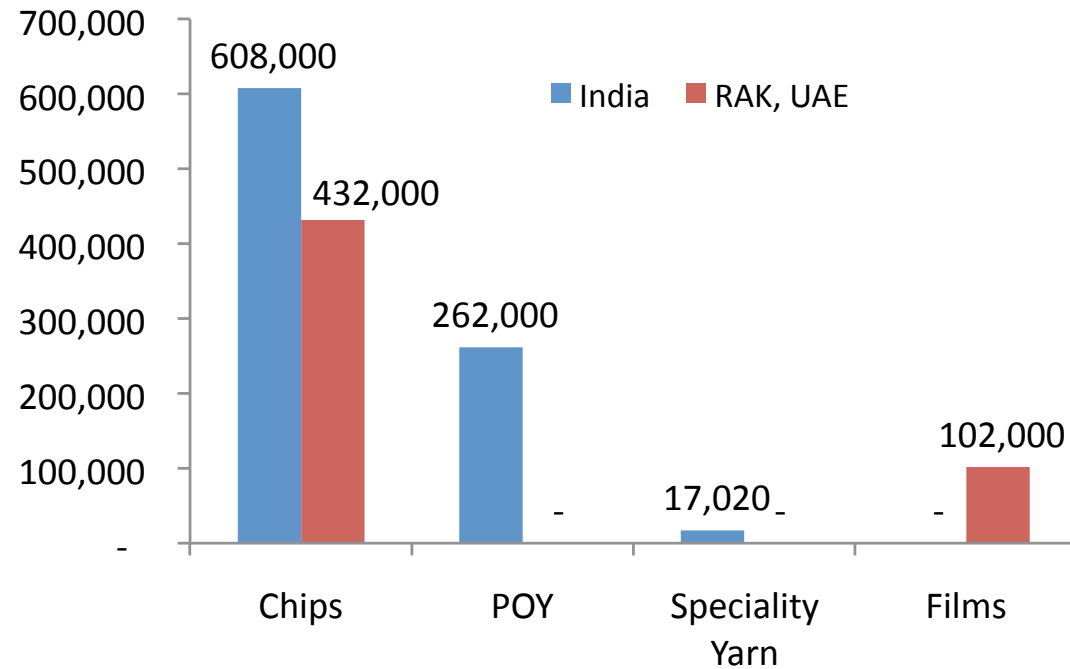
Income Statement	Q2-FY13	Q2-FY12
Income *	18,119	18,559
Total Expenses	16,388	16,427
EBITDA	1,731	2,132
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>11.5%</i>
Exchange Difference & Derivative Loss	120	611
Depreciation	498	371
Interest	515	338
PBT	598	81s2
Tax	104	52
Profit After Tax	494	760
<i>PAT Margin</i>	<i>2.7%</i>	<i>4.1%</i>
Diluted EPS	6.71	10.45

* 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	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 30th September, 2012

Operating Performance



India Sales (MT)	Q2-FY13	Q2-FY12	% Increase	H1-FY13	H1-FY12	% Increase
CHIPS (Textile + Bottle grade)	64,462	74,147	(13.1)%	144,306	128,065	12.7%
POY & Specialty Yarn	53,813	64,754	(16.9)%	107,975	113,142	(4.6)%
Total	118,275	138,901	(14.8)%	252,281	241,207	4.6%

RAK, UAE Sales (MT)	Q2-FY13	Q2-FY12	% Increase	H1-FY13	H1-FY12	% Increase
CHIPS (Bottle grade)	68,426	64,367	6.3%	111,881	124,812	(10.4)%
Films	18,173	16,461	10.5%	38,424	32,051	19.8%
Total	86,599	80,828	7.1%	150,305	156,863	(4.2)%

Pricing trends & Revenue Mix

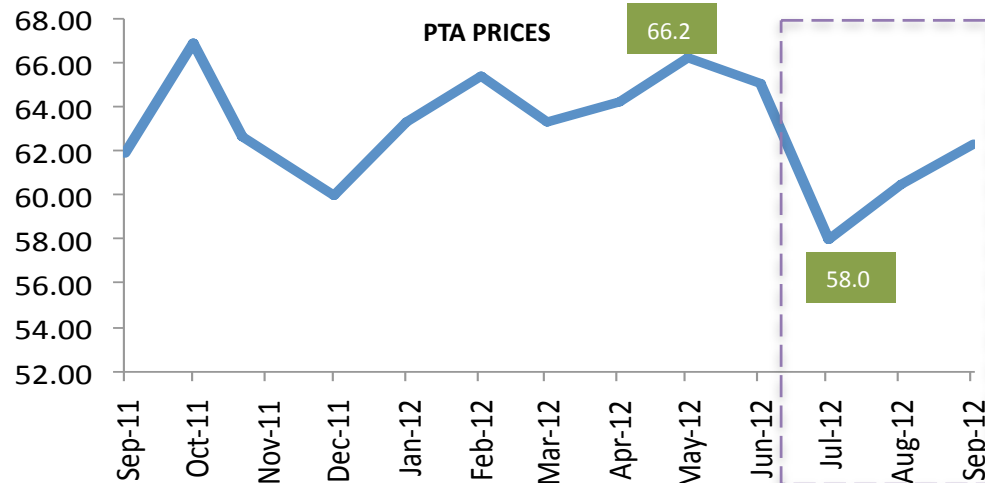


Price trends*						
Category	Q2-FY13	Q2-FY12	% Change	H1-FY13	H1-FY12	% Change
CHIPS (INDIA)(INR/Kg)	80	79	1.3%	82	79	3.8%
POY & Specialty Yarn (INR/Kg)	93	86	8.1%	93	95	(2.1)%
CHIPS (RAK) (USD/MT)	1400	1,700	(17.5)%	1400	1,700	(17.5)%
FILMS (USD/MT)	2300	2500	(8.0)%	2400	2,900	(17.2)%

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

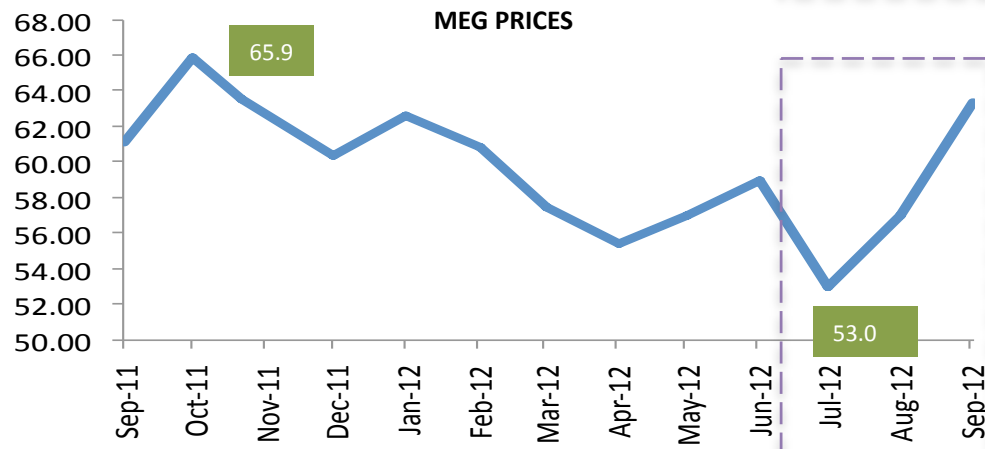
Revenue Mix						
Category	Q2-FY13	Q2-FY12	Change	H1-FY13	H1-FY12	% Change
CHIPS (INDIA)	29%	31%	(20)bps	33%	29%	40bps
POY & Specialty Yarn	30%	32%	(20)bps	30%	31%	(10)bps
CHIPS (RAK)	28%	27%	10bps	24%	28%	(40)bps
FILMS	13%	10%	30bps	13%	12%	10bps

Raw materials & Deltas



52 week High – INR 66.90
 52 week Low – INR 58.00
 SEP'12 – INR 62.30

PTA prices averaged at INR 60.27/kg in Q2FY13 vs INR 59.20/kg for Q2FY12



52 week High – INR 65.90
 52 week Low – INR 53.00
 SEP'12 – INR 63.00

MEG prices averaged at INR 57.77/kg for Q2FY13 vs INR 60.10/kg for Q2FY12

Industry level Deltas for Q2-FY13 (Delta = Sale price – Raw Material cost)

- a. Chips – INR 8.20/kg
- b. POY – INR 21.36/kg
- c. Films (blended of thick and thin films) – USD 950/Ton

Discussion & Analysis



Operations

- Consolidated Total Income reported at INR 18,119 mn in Q2-FY13
- Consolidated EBITDA reported at INR 1,731 mn in Q2-FY13
- Consolidated PAT reported at INR 494 mn in Q2-FY13
- Consolidated Diluted EPS was INR 6.71 / share in Q2-FY13

Key notes

- Consolidated Exchange Difference and Derivative losses were INR 120 mn for Q2-FY13, which include a gain of INR 123 mn on account of derivative contract.
- Low sales of chips and yarn in India was primarily due to shortage in supply of PTA and increase in imports from south east Asian countries.

Expansion

- Mangalore PTA plant construction to begin by early 2013.
- Belgium PET plant to be constructed by German engineering company Uhde Inventa-Fischer using energy-efficient MTR Melt-to-Resin technology. Environmental clearances under progress.
- Bahrain PET Film plant construction has already begun, first line to be ready by mid 2013, entire plant expected to be ready by mid 2014.

Business Outlook

- PTA availability domestically has improved and is expected to stabilize going forward.
- PET chips plant utilization in RAK has improved during the quarter.

Consolidated Results – Profit and Loss A/c



Income Statement	Q2-FY13	Q2-FY12	H1-FY 13	H1-FY12
Income *	18,119	18,559	36,108	34,539
Total Expenses	16,388	16,424	32,477	30,791
EBITDA	1731	2,135	3,631	3,748
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>11.5%</i>	<i>10.1%</i>	<i>10.9%</i>
Exchange Difference & Derivative Loss	120	630	711	1,058
Depreciation	498	371	968	713
Interest	515	323	968	611
PBT	598	812	984	1366
Tax	104	52	153	83
Profit After Tax	494	760	831	1,283
<i>PAT Margin</i>	<i>2.7%</i>	<i>4.1%</i>	<i>2.3%</i>	<i>3.7%</i>
Diluted EPS	6.71	10.45	11.27	17.63

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

Standalone Results – Profit and Loss A/c



Income Statement	Q2-FY13	Q2-FY12	H1-FY 13	H1-FY12
Income *	10,648	11,771	22,739	20,988
Total Expenses	9,576	10,644	20,537	18,973
EBITDA	1,072	1,127	2,202	2,015
<i>EBITDA Margin</i>	<i>10.1%</i>	<i>9.6%</i>	<i>9.7%</i>	<i>9.6%</i>
Exchange Difference & Derivative Loss	178	595	750	1,033
Depreciation	246	211	474	402
Interest	265	186	506	315
PBT	383	135	472	265
Tax	104	52	153	82
Profit After Tax	279	83	319	183
<i>PAT Margin</i>	<i>2.6%</i>	<i>0.7%</i>	<i>1.4%</i>	<i>0.9%</i>
Diluted EPS	3.76	1.11	4.23	2.47

• *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 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 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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