

JBF INDUSTRIES LTD

FY13 & Q4 - FY13 Earnings Presentation

May 2013



Disclaimer



Statements in this Presentation describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes economic developments within India, UAE, Oman and the countries in which the Company conducts business and other incidental factors.

This overview has been prepared exclusively for the benefit and internal use of the recipient to evaluate various opportunities which could be of strategic interest to the recipient. This overview does not constitute or form any part of any offer or invitation to acquire, subscribe, underwrite any of the businesses of the company under analysis nor does it imply any current transaction thereof.

This overview does not carry any right of publication or disclosure to any other party and neither this overview nor any of its contents may be used for any other purpose without the prior written consent of JBF Industries Limited.

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

Key Financial Highlights



❑ FY13 (Consolidated) performance:

- a. Total Income: INR 74,558 mn
- b. EBITDA: INR 6,903 mn; EBITDA Margin: 9.3%
- c. PAT: INR 1,135 mn; PAT Margin: 1.5%
- d. Diluted EPS: INR 15.24 / equity share

❑ FY13 (Standalone) performance:

- a. Total Income: INR 45,041 mn
- b. EBITDA: INR 4,100 mn; EBITDA Margin: 9.1%
- c. PAT: INR 515 mn; PAT Margin: 1.1%
- d. Diluted EPS: INR 6.72 / equity share

❑ Q4-FY13 (Consolidated) performance:

- a. Total Income: INR 21,047 mn
- b. EBITDA: INR 1,517 mn; EBITDA Margin: 7.2%
- c. PAT: INR 5 mn; PAT Margin: 0.02%
- d. Diluted EPS: INR (0.02) / equity share

❑ Q4-FY13 (Standalone) performance:

- a. Total Income: INR 12,132 mn
- b. EBITDA: INR 905 mn; EBITDA Margin: 7.5%
- c. PAT: INR 138 mn; PAT Margin: 1.1%
- d. Diluted EPS: INR 1.80 / equity share

FY13 Exceptional Items:

- ❑ With Regards to the Exchange Difference and Derivative loss, the Company used to charge losses on the derivative contracts on actual settlement basis, and no provisions were made for the mark to market losses, which was qualified by the statutory auditors of the Company in earlier years/periods. As on Q4-FY13, to resolve the audit qualification, the Company has also provided the mark to market losses aggregating to Rs.252.3 mn as on 31st March, 2013.
- ❑ An amount of Rs.237.8 mn has been charged to statement of Profit and Loss which pertains to green field projects being implemented by step down subsidiaries of the Company. This expense although being a part of the Group's ongoing Capex, has been included in the Other Expenses in order to comply with global accounting standard regulations.

Consolidated Income Statement



Income Statement	Q4-FY13	Q4-FY12	FY13	FY12
Income	21,047	19,222	74,558	71,793
Total Expenses	19,530	17,562	67,656	64,666
EBITDA	1,517	1,660	6,903	7,127
<i>EBITDA Margin</i>	7.2%	8.6%	9.3%	9.9%
Other Income	8	78	34	824
Exchange Difference & Derivative Loss	258	797	1,329	2,939
Depreciation	526	411	2,002	1,525
Interest	558	402	2,100	1,462
PBT	184	127	1,505	2,025
Tax	178	(108)	371	(205)
Profit After Tax	5	235	1,135	2,230
<i>PAT Margin</i>	-	1.2%	1.5%	3.1%
Diluted EPS	(0.02)	3.22	15.24	30.69

All numbers in INR Mn other than EPS

Standalone Income Statement



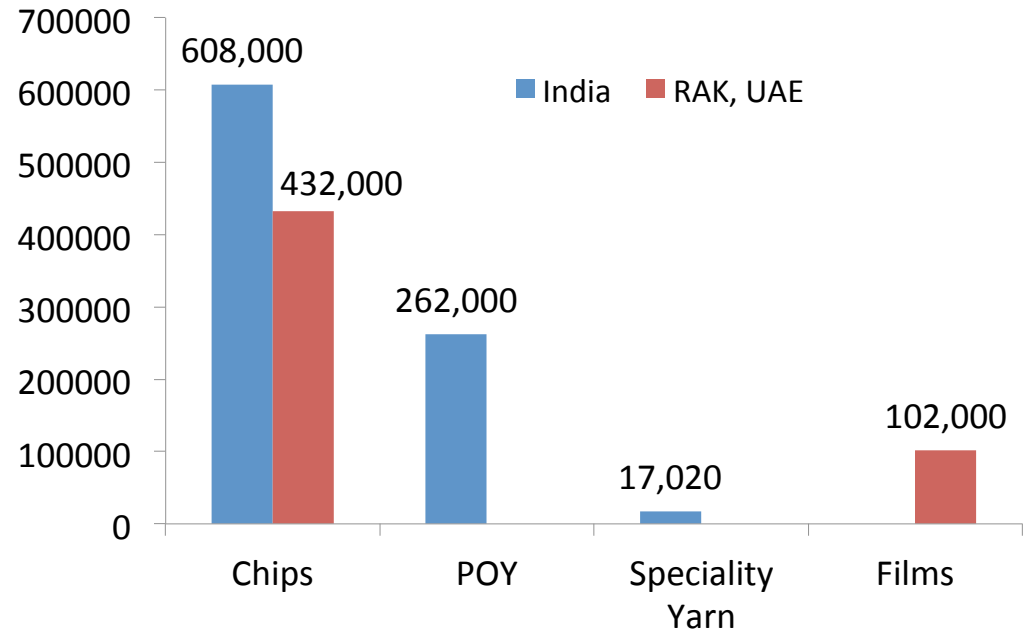
Income Statement	Q4-FY13	Q4-FY12	FY13	FY12
Income	12,132	11,764	45,041	43,833
Total Expenses	11,227	10,704	40,941	39,817
EBITDA	905	1,060	4,100	4,017
<i>EBITDA Margin</i>	<i>7.5%</i>	<i>9.0%</i>	<i>9.1%</i>	<i>9.2%</i>
Other Income	198	75	223	833
Exchange Difference & Derivative Loss	272	792	1,386	2,951
Depreciation	271	221	1,007	839
Interest	259	206	1,060	776
PBT	301	(85)	871	283
Tax	164	(108)	356	(205)
Profit After Tax	138	(23)	515	488
<i>PAT Margin</i>	<i>1.1%</i>	<i>-</i>	<i>1.1%</i>	<i>1.1%</i>
Diluted EPS	1.80	0.29	6.72	6.61

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 31st March, 2013

Operating Performance



India Sales (MT)	Q4-FY13	Q4-FY12	% Increase	FY13	FY12	% Increase
CHIPS (Textile + Bottle grade)	74,493	75,457	(1.28)%	274,095	273,233	0.32%
POY & Specialty Yarn	52,289	56,711	(7.80)%	216,911	227,169	(4.52)%
Total	126,782	132,168	(4.08)%	491,006	500,402	(1.88)%

RAK, UAE Sales (MT)	Q4-FY13	Q4-FY12	% Increase	FY13	FY12	% Increase
CHIPS (Bottle grade)	73,768	68,112	8.30%	248,625	256,279	(2.99)%
Films	19,643	18,201	7.92%	77,010	65,769	17.09%
Total	93,411	86,313	8.22%	325,635	322,048	1.11%

Pricing trends & Revenue Mix

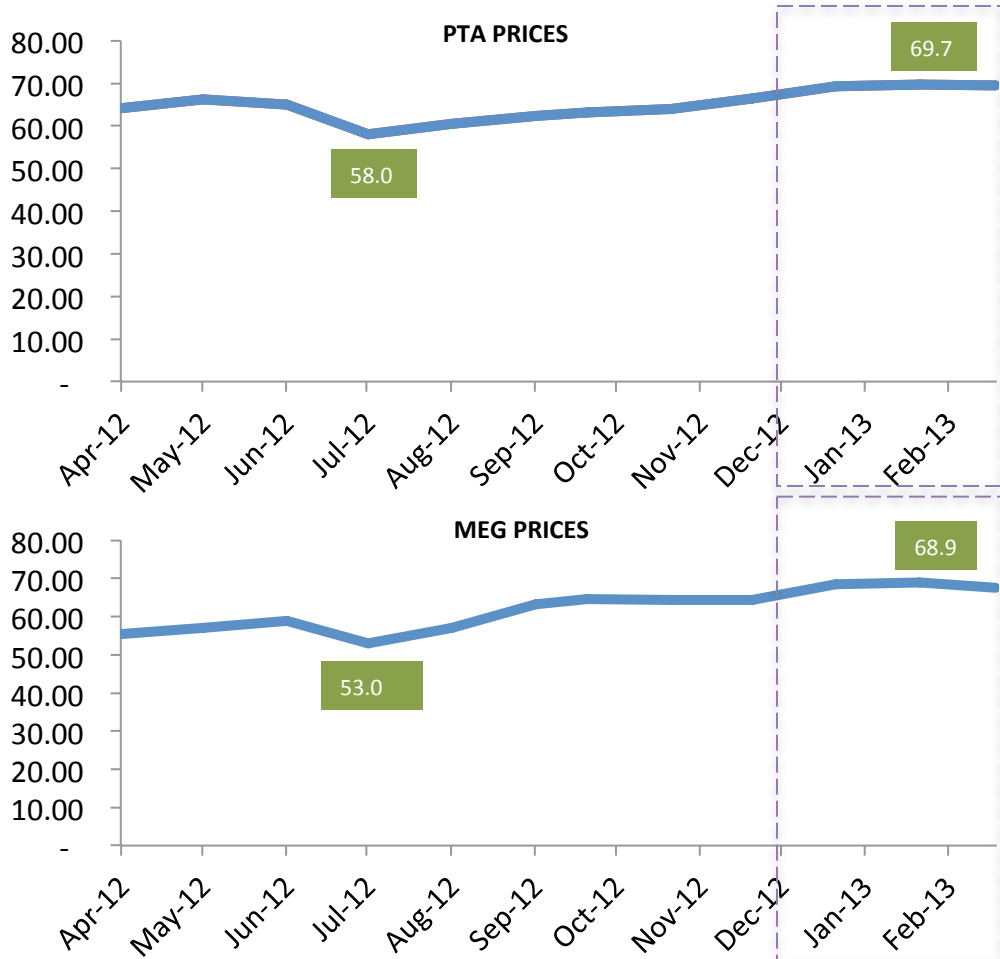


Price trends*						
Category	Q4-FY13	Q4-FY12	% Change	FY13	FY12	% Change
CHIPS (INDIA)(INR/Kg)	89	83	7.23%	84	83	1.20%
POY & Specialty Yarn (INR/Kg)	96	91	5.49%	93	91	2.20%
CHIPS (RAK) (USD/MT)	1,600	1,600	-	1,500	1,650	(9.09)%
FILMS (USD/MT)	2,300	2,250	2.22%	2300	2,550	(9.80)%

*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-FY13	Q4-FY12	Change	FY13	FY12	% Change
CHIPS (INDIA)	32%	32%	-	31%	31%	-
POY & Specialty Yarn	26%	29%	(30) bps	29%	30%	(10) Bps
CHIPS (RAK)	30%	28%	20 bps	27%	28%	(10) Bps
FILMS	12%	11%	10 bps	13%	11%	20 bps

Raw materials & Deltas



52 week High – INR 69.70
 52 week Low – INR 58.00
 MAR 2013 – INR 69.50

PTA prices averaged at INR 69.50/kg in Q4-FY13 vs INR 64.00/kg for Q4-FY12

52 week High – INR 68.90
 52 week Low – INR 53.00
 MAR 2013 – INR 67.60

MEG prices averaged at INR 68.30/kg for Q4-FY13 vs INR 60.30/kg for Q4-FY12

Industry level Deltas for Q4-FY13 (Delta = Sale price – Raw Material cost)

- a. Chips – INR 6.09/kg
- b. POY – INR 13.14/kg
- c. Films (blended thick & thin) – USD 950/Ton

Discussion & Analysis



Key notes

- Consolidated Exchange losses of INR 1,329 mn for Q4-FY13, include losses on account of derivative contract (INR 634 mn) and foreign exchange losses (INR 695 mn). \$4mn final tranche principal repayment on July'13.

Business Outlook – India

- Expansions have taken place in both the PET chips and POY domestic industry, resulting in pressures on sales and margins. This scenario is expected to stabilize within the next year.
- Domestic PTA capacity is expected to increase in the next year due to new capacity additions, which would possibly reduce pressure on cost and margins.
- Domestic Bottle grade chips demand is expected to increase by 20%.

Business Outlook - ROW

- **PET Chips** - Recovery in demand owners across all regions; Middle-East & North Africa continues to post more than 10% demand growth; JBF market share in Saudi has increased substantially over last years.
- **BOPET Film** - Renewed demand in Asia for clear films; Exports to Central & South America region continue to grow; European solar market recovery is likely to provide impetus for volume growth for Industrial film segment; Early shoots for a demand recovery are evident in last few months also considering that there is Anti dumping duty imposed on Chinese origin film in Europe.

Projects

- **PTA Plant Project at Mangalore** – Plot has been handed over to M/s Technip for execution of project. Project continues to be on target to be commissioned by mid 2015.
- **PET Plant project in Belgium** - Construction phase is in advanced stage, equipment installations have begun, manpower addition underway, plant commissioning expected for March 2014.
- **Polyester Film Plant Project At Bahrain** - Line 1 is under erection and manpower has already been deployed at site. First Film Line is expected to commission by June 2013 and production is expected by July 2013.
- **Bio-Glycol Plant Project at Araraquara, Sao Paulo, Brazil** – All approvals and clearances are in place and discussions with potential engineering contractors under progress. Financial Closure pending.

Consolidated Balance Sheet



	Particulars	FY 13	FY12		Particulars	FY 13	FY12
A	EQUITIES & LIABILITIES			B	ASSETS		
Part -1	Shareholder Funds			Part -1	Non Current Assets		
	(A) Equity Share Capital	1,830	1,604		(A) Fixed Assets	38,830	29,333
	(C) Reserves & Surplus	16,448	15,340		(B) Goodwill on Consolidation	951	891
	Total - Shareholder Funds	18,278	16,944		(C) Non-Current Investments	30	37
Part 2	Non Current Liabilities				(D) Long Term Loans & Advances	4,704	2,913
	(A) Long Term Borrowings	23,173	13,768		Total - Non – Current Assets	44,515	33,174
	(B) Deferred Tax Liabilities (Net)	1,581	1,223	Part 2	Current Assets		
	(C) Long Term provisions	271	114		(A) Current Investments	486	629
	Total - Non – Current Liabilities	25,026	15,105		(B) Inventories	9,231	7,918
Part 3	Current Liabilities				(C) Trade Receivables	10,348	7,149
	(A) Short term Borrowings	13,216	11,451		(D) Cash and Bank Balances	5,968	3,987
	(B) Trade Payables	11,230	8,322		(E) Short-term loans and advances	5,841	4,399
	(C) Other Current Liabilities	7,940	4,640		(F) Other current assets	264	116
	(D) Short-term provisions	963	910		Total – Current Assets	32,138	24,198
	Total – Current Liabilities	33,350	25,323	B	GRAND TOTAL – ASSETS	76,653	57,372
A	GRAND TOTAL - EQUITIES & LIABILITES	76,653	57,372				

All numbers in INR Mn

Historical Consolidated Income Statement



Income Statement	FY 09	FY 10	FY 11	FY 12	FY 13
Total Operating Income	43,143	49,444	64,711	71,793	74,558
Total Expenses	37,914	44,740	55,149	64,666	67,656
EBITDA	5,229	4,704	9,563	7,127	6,903
<i>EBITDA Margin</i>	<i>12.1%</i>	<i>9.5%</i>	<i>14.8%</i>	<i>9.9%</i>	<i>9.3%</i>
Other Income	116	262	222	824	34
Exchange Difference & Derivative Loss	690	149	874	2,939	1,329
Depreciation	779	1,173	1,314	1,525	2,002
Interest	975	1,275	1,534	1,462	2,100
PBT	2,900	2,668	6,063	2,025	1,505
Tax	459	540	602	(205)	371
Profit After Tax	2,442	2,128	5,461	2,230	1,135
Minority Interest	553	224	-	-	-
Profit After Minority Interest	1,889	1,904	5,461	2,230	1,135
Diluted EPS	26.2	26.4	75.8	31.0	15.24

All numbers in INR Mn other than EPS

Historical Consolidated Balance Sheet



Particulars	FY 09	FY 10	FY 11	FY12
Share Capital	622	622	717	720
Cumulative Redeemable Preference Shares (CRPS)	-	-	266	884
Reserves	6,709	8,117	13,555	15,395
Net worth	7,331	8,740	14,538	16,999
Minority Interest	3,997	3,633	-	-
Loan Funds	12,414	13,644	17,836	24,247
TOTAL LIABILITES	23,743	26,016	32,374	41,246
Net Fixed Assets (Incl Capital WIP)	20,837	21,165	24,705	33,136
Investments	361	1,310	1,280	629
Net Current Assets (Excluding Cash)	2,873	3,880	5,469	4,720
Cash & Bank	899	999	2,350	3,987
Deferred Tax Liability (Net)	-1,226	-1,337	-1,430	-1,223
TOTAL ASSETS	23,743	26,016	32,374	41,246

All numbers in INR Mn

Thank You

For further details please contact our Investor Relations Representatives :



VALOREM ADVISORS

Anuj Sonpal

Valorem Advisors

Tel: +91-22-6673-0036/37

Email: anuj@valoremadvisors.com

JBF Industries Ltd.

Express Towers, 8th Floor,

Nariman Point,

Mumbai – 400 021.