

EPCL Analyst Briefing Financial Results 1Q 2013

Monday, April 29, 2013

HIGHLIGHTS 1Q 2013

- VCM plant demonstrated stable production in 1Q 2013 (production: 40 KT vs. 33 KT last year)
- 3 KT VCM exports in 1Q 2013 vs. 3 KT VCM imports in 1Q 2012
- HCl project successfully completed for domestic sales

(KT)	1Q'13	1Q'12
Production		
VCM	40	33
PVC	34	36
EDC	29	29
Caustic Soda	28	28
Sodium Hypo.	5	5
Imports		
VCM	0	3

MARKET HIGHLIGHTS 1Q 2013

(KT)	1Q'13	1Q'12
Sales		
PVC Domestic	34	35
Caustic Soda	25	25
PVC Export	2	2
VCM Export	3	-
EPCL Prices (\$/ton)		
PVC	1079	1008
Ethylene	1391	1162
PVC-0.5* Ethylene	384	427
PVC Domestic CM	345	363

PVC Domestic Sales

- " EPCL maintained 78% market share in PVC domestic market
- " Strong demand from all market segments and exports to Afghanistan
- " EPCL sold PVC for consumption in medical grade rigid films

PVC Export Sales

- " Good margins on PVC exports (\$150/t)

VCM Exports

- " VCM exported to India
- " Good margins on VCM exports (\$100/t)

Hydrogen and HCl Sales

- " Hydrogen sales continued in 1Q
- " HCl sales started in 1Q post completion of HCl project

INT'L PRICES

- High crude oil prices on expectations of improvement of world economy
- Ethylene prices followed the crude price trend; while production issues at a major plant in Middle East pushed prices even higher in end-Feb '13
- Rising demand post winters along with cost pressures and closure of Plants in Malaysia elevated downstream PVC earlier in 1Q which was partly offset by Carbide based supply from China

FINANCIAL HIGHLIGHTS 1Q 2013

- “ Overall contribution margin grew by approximately 8% compared to last year
- “ Major variance in PAT compared to last year
 - “ Better Caustic prices
 - “ Higher VCM exports
 - “ Lower interest costs
 - “ No insurance claim compared to Rs.391 M (before tax) in 1Q 2013

(Rs.M)	1Q '13	1Q '12
Contribution Margin	1,773	1,648
Other Income	102	445
PAT	263	414 *

* Rs.391 M (before tax) insurance claim received in 1Q 2012

OUTLOOK

“ The management of the company will continue its focus and commitment on safe and sustained operations of the integrated facility at design operating level to obtain full economic benefits

“ PVC prices are expected to remain soft in 2Q 2013

“ Caustic Soda prices are expected to remain stable in the short term

“ PVC and Caustic Soda demand is expected to remain stable to strong

THANK YOU!