

Analyst Briefing

3Q and YTD Sept. 2012 Business Results

November 2012



engro polymer & chemicals

VCM Plant Highlights

- Stable VCM production during 3Q '12
- 41 KT VCM production in 3Q vs. 22 KT 3Q '11 (higher by 86%)
- Highest ever monthly production – 17.5 KT in July 2012
- 108 KT VCM production YTD Sept. '12 vs. 57 KT in corresponding period last year (higher by 89%)
- 9 KT VCM exported in 3Q '12

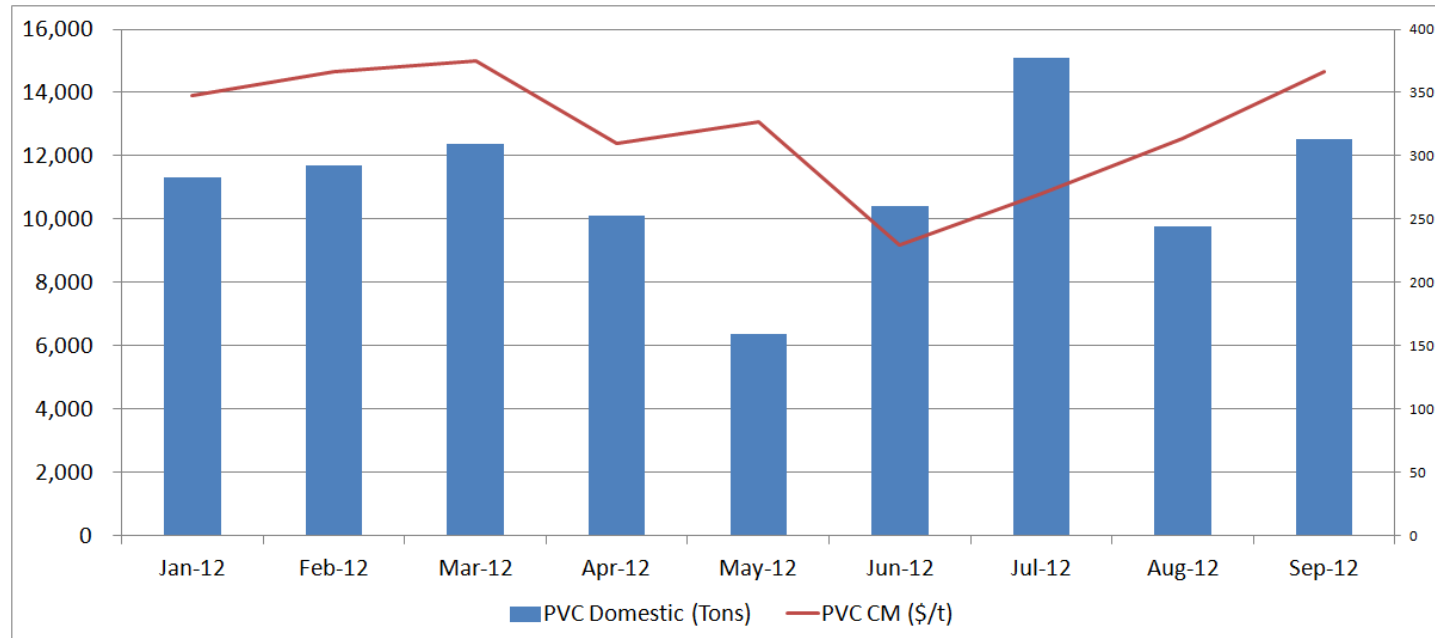
PVC Highlights

Production

- 37 KT & 107 KT PVC produced in Q3 & YTD Sept. respectively

Sales

- 37 KT domestic and 8 KT export sales in 3Q
- 100 KT domestic and 12 KT export sales in YTD Sept.
- Domestic sales volume grew by 22% in YTD Sept. '12 as compared to YTD Sept. '11



Caustic Soda Highlights

- 28 KT Caustic produced and 22 KT sold in the domestic market in 3Q
- 70 KT caustic sold in YTD Sept. which was up by 8% as compared to last year
- EPCL well-positioned to sell its entire production
- EPCL has a competitive advantage over other suppliers in terms of:
 - Consistent gas supply
 - Geographical location in South
 - Dedicated distribution fleet

Sodium Hypochlorite

- 14 KT Hypo sold in YTD Sept. 2012
- Only supplied in South
- All production sold

Operating Highlights

	(units)	3Q 2012	3Q 2011	YTD Sept. 2012	YTD Sept. 2011
Production:					
PVC	KT	37	30	107	82
VCM	KT	41	22	108	57
EDC	KT	29	27	84	75
Caustic Soda	KT	28	26	81	72
Sales:					
PVC Domestic	KT	37	27	100	82
PVC Export	KT	8	1	12	3
Caustic Domestic	KT	22	22	70	65
Caustic Exports	KT	-	-	2	-
EDC Export	KT	-	8	-	15
PVC Domestic CM	\$/ton	319	283	321	329
International PVC-VCM Margin	\$/ton	148	147	121	134
Contribution Margin	Rs. M	1,607	1,052	4,489	3,411
Profit After Tax	Rs. M	24	(245)	83	(440)

Near Term Business Outlook

- PVC demand is expected to remain stable
- Any shortfall in Caustic Soda demand in north market due to energy shortage with customers in winters will be exported by EPCL
- VCM plant is planned to be shutdown over a small duration for repair and maintenance during 4Q
- PVC plant will continue to operate at desired levels during this period
- Management will continue its focus on the smooth operations of the plant

Thank You

Analyst Briefing

2Q 2012 Business Results

August 2012

Major Variance in PAT (3Q '12 vs. 3Q '11)

3Q 2012	24
3Q 2011	<u>(245)</u>
Variance	269

Major variance factors (Rs. M)

- Higher PVC and Caustic Sales Volumes 250
- Higher VCM production 340
- Lower international prices (300)