

# Analyst Briefing

1Q 2012 Business Results

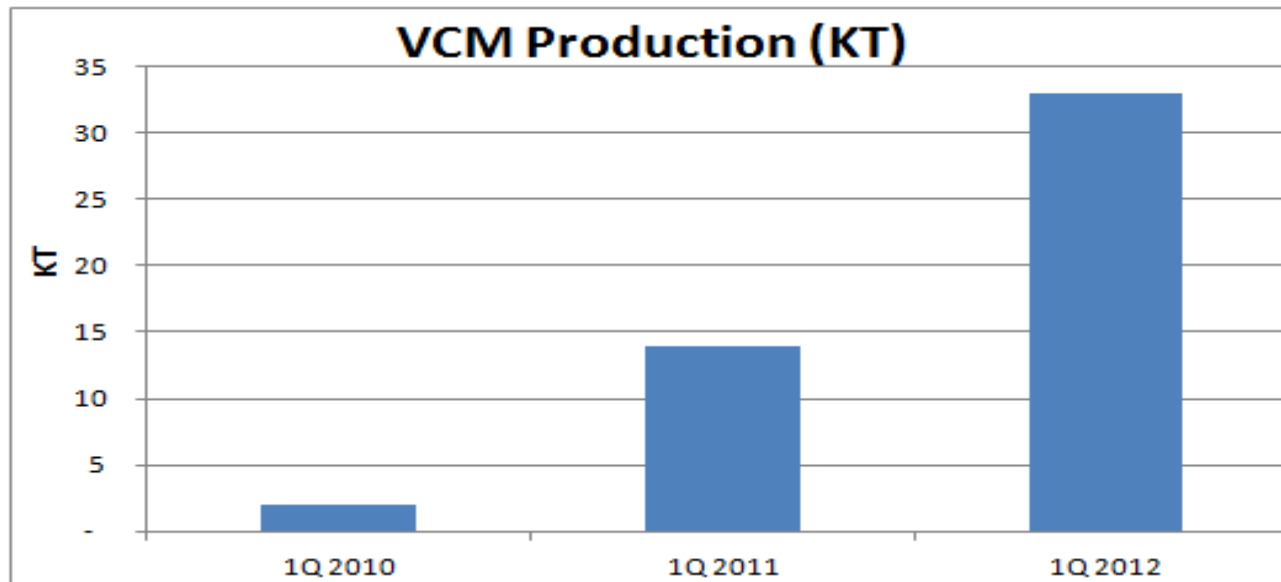
April 27, 2012



engro polymer & chemicals

# VCM Plant Highlights 1Q 2012

- Smooth operations in 1Q '12 (33 KT VCM produced)
- Sustained production for last six months Oct. '11 to Mar. '12 (74 KT VCM produced)
- VCM plant annual maintenance shutdown in last week of March (presently the plant is in startup/ramp up phase)



# PVC Highlights 1Q 2012

## Production

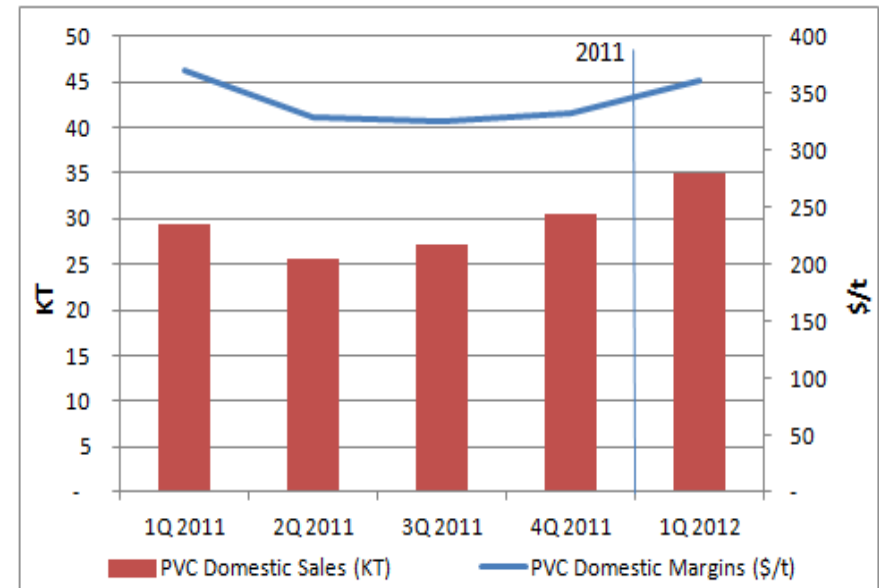
- 36 KT PVC produced

## Sales

- Highest ever 1Q sales (2<sup>nd</sup> highest quarterly sales ever)
- 21% increase in domestic sales vs. 1Q '11 (35 KT vs. 29 KT)
- Retail sales remained strong in pipe and fittings, cable, garden hose and shoe sector
- Increased demand from Afghanistan boosting pipe exports
- Limited scrap availability

## PVC Margins

- Domestic PVC margins improved during 1Q '12 vs. 4Q '11 due to increase in int'l PVC prices



# Caustic Soda Highlights 1Q 2012

- Highest ever quarterly sales
- 23 KT Caustic Soda sold in domestic market
- 2 KT Caustic soda exported
- Region wise domestic sales mix:
  - South region: 70%
  - North region: 30%

# Operating Highlights

	(units)	1Q 2012	1Q 2011
<b>Production:</b>			
PVC	KT	36	24
VCM	KT	33	14
EDC	KT	29	23
Caustic Soda	KT	28	22
<b>Sales:</b>			
PVC Domestic	KT	35	29
PVC Export	KT	2	2
Caustic Domestic	KT	23	20
Caustic Exports	KT	2	-
EDC Export	KT	-	3
<b>PVC-VCM Margin (In house+ Imported)</b>	\$/ton	401	423
<b>International PVC-VCM Margin</b>	\$/ton	115	158
<b>Contribution Margin</b>	Rs. M	1,648	1,283
<b>Profit After Tax</b>	Rs. M	<b>414 *</b>	<b>(59)</b>

\* 1Q '12 Operating PAT = Rs.181 M (excluding after tax Rs.233 M acknowledged by insurance companies)

# Business Outlook

- PVC prices expected to remain soft in 2Q 2012 as feedstock supply improves
- Plant site turnaround coming online as per schedule
  - Chlor-Alkali and PVC plants already started
  - VCM plant started and ramp up in process
- Management to continue focus and commitment on safe and sustained operations at desired operating level to obtain full economic benefits



**Thank You**

**Analyst Briefing**

**1Q 2012 Business Results**

**April 27, 2012**