

Phillips Carbon Black Limited

- Q4 records sales growth of 22% compared to same period last year
- Record Export growth of 67% in FY11.
- Sales Volume grew by 21% in FY11.
- Operating profit up by 57% compared to same quarter last year and 30% compared to last year
- Strategic change in market mix improves profitability
- Cochin 10 MW CPP commences operation
- Investment plans in India and overseas progressing as per plan.

Kolkata, May 3, 2011

Following the Phillips Carbon Black Limited (PCBL) Board Meeting in Kolkata this morning, Mr. Sanjiv Goenka, Chairman, reported a 32% rise in operating profit during FY'11. Sales volume during the year was up by 21%, while exports grew by 67%.

Briefing newsmen, Mr. Sanjiv Goenka said that PCBL net sales for the 4th Quarter was ₹ 444 crore, as against ₹ 363 crore in the previous year. This translates into a growth of 21% in value terms. Mr. Goenka attributed this success to the commissioning of the new carbon black plant at Mundra and the setting up of a 16 MW power plant at the same location. PCBL also achieved an increase from revenue from power of ₹ 20.04 crore, compared to ₹ 15.15 crore in the same period last year. Mr. Goenka also announced that the 10 MW co-generation power unit in Kochin commenced operation in April 2011.

The expansion of carbon black capacity at Mundra by 50,000 MT is complete. Trials have started and commercial operation is expected to begin during the First Quarter of FY'12. PCBL is also in the process of expanding CPP capacity by 8 MW at Mundra. This is expected to be commissioned at the end of the current financial year.

Upon completion of these projects, PCBL's total carbon black manufacturing capacity will rise to 410,000 MT and power generation capacity to 76 MW.

Currently, with an installed capacity of 360,000 MT and co-generation power capacity of 60.5 MW, PCBL is the largest producer of carbon black in India. It is also the 8th largest carbon black company in the world.

Giving an update of the joint venture at Vietnam, Mr. Goenka said that all approvals for the Vietnam project have been received. Land acquisition has also been completed. The Vietnam plant will have a capacity of 55,000 MT along with 12 MW CPP. Total investment for this project has been estimated at US\$ 63 million. PCBL will hold 80% in the JV. Construction is scheduled to start this month.

Status of various Projects as on 3rd May 2011

- ❖ Cochin 10 MW Power Plant
 - Commenced operation in April 2011.

- ❖ Mundra 50,000 MT expansion
 - MOEF clearance received.
 - “Consent to Establish” from Gujarat State Pollution Control Board received.
 - Trials started , expect commercial production by June 2011.

- ❖ Coal Tar Project
 - Land acquisition and agreement finalized during the quarter.
 - Environment clearance received.
 - Technology agreement signed.
 - Commencement of construction work scheduled in May 2011.

- ❖ Vietnam Project
 - All clearances have been received including Licence for Construction.
 - Construction work to commence in May 2011.
 - Financial closure expected by June 2011.

- ❖ Chennai Project
 - SIPCOT Authorities have allotted 60 acres of land in-principle at SIPCOT Industrial Park, Thervoy Kandigai in Tamil Nadu.