

Phillips Carbon Black Limited
India's largest carbon black producer is now the world's 8th

Kolkata, October 27, 2010

Phillips Carbon Black Limited (PCBL) is the largest Carbon Black producer in India and 8th in the world ,having installed capacity of 360,000 MT and co-generation power capacity of 60.5 MW spread over 4 locations as given below :

Sl.No.	Location	CB (MT)	Power (MW)
1	Durgapur (W.B)	140,000	30.0
2	Mundra (Gujarat)	90,000	16.0
3	Palej (Gujarat)	90,000	12.0
4	Cochin (Kerala)	40,000	2.5
	Total	360,000	60.5

The following PCBL projects were commissioned during FY10 :

Sl.No.	Location	CB (MT)	Power (MW)	Project Cost (Rs.Crs.)	Commissioning
1	Durgapur	n.a.	30.0	137	Q1FY10
2	Mundra	90,000	16.0	254	Q3FY10
	Total	90,000	46.0	391	

PCBL has earned the distinction of being the second fastest growing carbon black company in the world. 5 year CAGR for carbon black business (in volume) is 12.5% and for power segment it is 56.2%. PCBL has a market share of approx. 40%.

Expansion in India

The following projects are under implementation, which will increase PCBL's carbon black capacity to 410,000 MT and co-generation power capacity to 76 MW during next 9 to 12 months :

Sl.No.	Location	CB (MT)	Power (MW)	Project Cost (Rs.Crs.)	Commissioning
1	Mundra	50,000	8.0	105	Q3FY11/Q2FY12
2	Cochin	n.a.	10.0	50	Q4FY11
	Total	50,000	18.0	155	

Vietnam Project moving fast

PCBL is setting up Vietnam's first carbon black plant through its joint venture in two phases. The carbon black manufacturing capacity in the first phase will be 55,000 MT and co-generation power plant will be 12 MW at a total outlay of US\$ 63 million, which is expected to be commissioned within next 24 months. PCBL's shareholding in the JV is 80% and the remaining shares will be held by three tyre companies, which are majority controlled by the Vietnamese Government. Vietnam is the world's 4th largest rubber producer and has become an attractive location for tyre manufacturers.

We have received approval for High Technology status for the Vietnam project , which provides additional incentives to promote core industry in Vietnam. Land has already been acquired. Discussion with lenders is in progress to tie up funding for the project.

Q2FY11 results

At a Board Meeting held in Kolkata on Wednesday (27 October), the Company's Second Quarter Results were approved. PBT during Q2FY11 has been in line with Q1FY11 at Rs. 36.36 crore vis-a-vis Rs.39.19 crore in the corresponding quarter last year and the Operating Profit (PBDIT) was Rs. 52.93 crore vis-à-vis Rs. 51.35 crore respectively. Power revenue has been lower at Rs.14.53 crore in Q2FY11 compared to Rs.16.82 crore in Q2FY10.

During Q2FY11, production and dispatches of carbon black have been in line with the first quarter.

The company has achieved 29% growth in volumes compared to corresponding quarter previous year. The growth in export market has been by 200%, strengthening PCBL's presence amongst quality conscious consumers.

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