

Analyst Briefing

4Q & 2011 Business Results

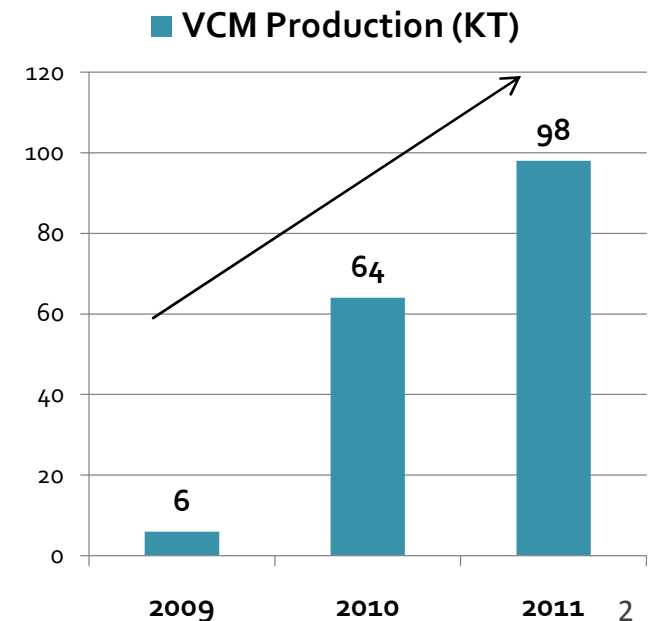
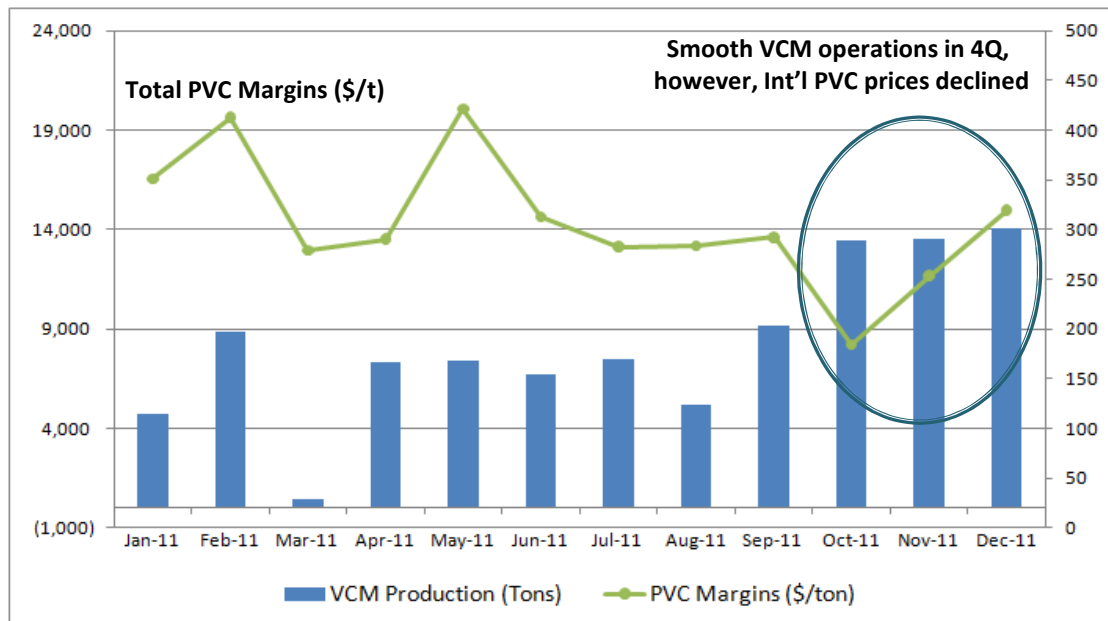
Monday, February 13, 2012



engro polymer & chemicals

VCM Plant Highlights 4Q 2011

- Smooth VCM plant operations in 4Q (post startup after furnace A and B maintenance)
- 41 KT VCM production in 4Q (Total 98 KT in 2011)
- 4Q production rate 445 tons/day
- First ever VCM export (3 KT in Dec. '11)
- No VCM imports in 4Q



PVC Highlights 4Q 2011

Production

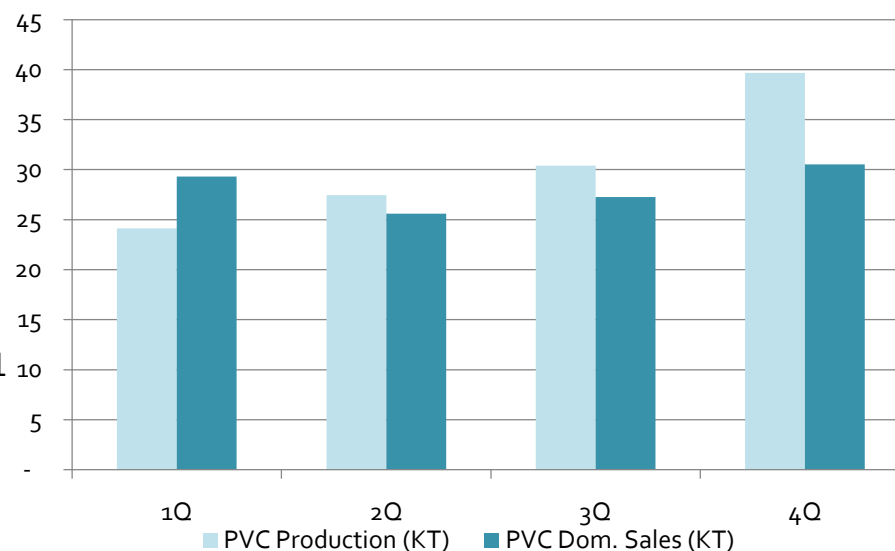
- 40 KT PVC produced in 4Q (122 KT in 2011)
- Stable plant operations as VCM plant stabilized

Sales

- Domestic sales increased by 33% & 16% in 4Q and CY'11 respectively, as compared to corresponding period last year
- Exports to Afghanistan increased
- Resin imports decreased in 2011 vs. 2010 due to better product availability
- PVC scrap imports increased in 2011 vs. 2010 due to lower prices and GoP preference

PVC Margins

- PVC-VCM margin dropped to \$329/t in 4Q vs. \$351/ton in 3Q due to lower int'l PVC prices despite reduction in VCM cost as VCM production stabilized



KT	4Q' 11	4Q' 10	CY '11	CY '10
EPCL Sales	30.5	22.8	112.3	96.8
Resin Imports *	2.0	0.6	4.9	18.6
Scrap Imports *	7.4	8.9	44.7	39.5
Total Demand *	39.9	32.3	161.9	154.9
EPCL's Share	76.4%	70.6%	69.4%	62.5%

* Estimated

Caustic Soda & EDC Highlights 4Q 2011

Caustic Soda

- 27 KT Caustic Soda produced in 4Q (EPCL internal Caustic consumption 3 KT)
- 22 KT Caustic Soda sold in domestic market
- EPCL continued to focus consistent supply in South & surplus in North

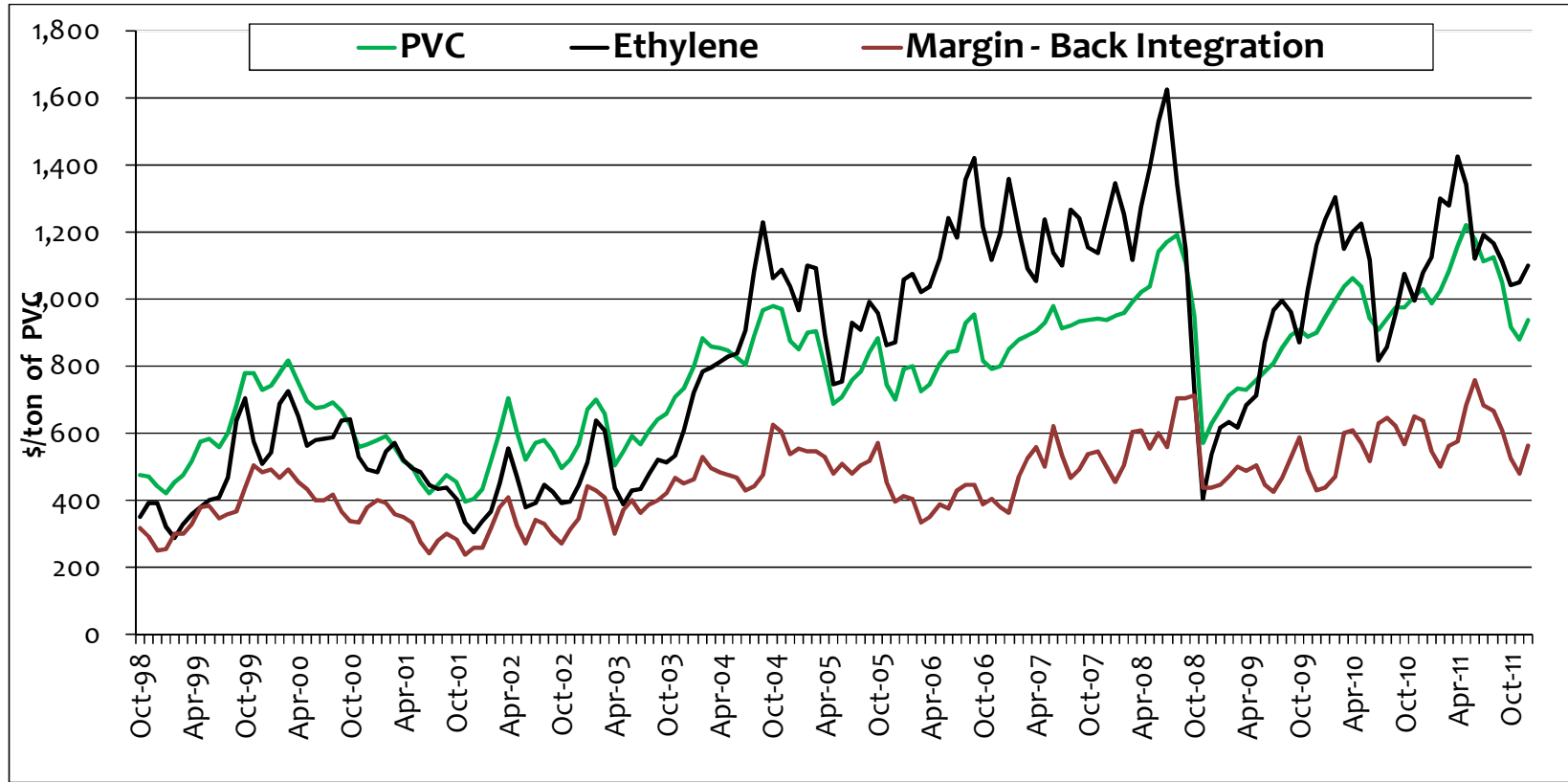
Sodium Hypochlorite

- 5 KT Sodium Hypo Chlorite was produced and sold

EDC

- 29 KT EDC produced in 4Q which was used for in-house VCM production
- No EDC exports in 4Q

Back Integration & Historical PVC – Ethylene Delta



Moving Averages (\$/ton)	Project Assumptions	5 Year Avg.	3 Year Avg.	1H 2011	2H 2011	2011
PVC	750	956	1,022	1,110	1,003	1,056
Ethylene	800	1,064	1,136	1,265	1,111	1,188
Caustic Soda	246	390	406	409	449	429
Integrated Margin (Domestic)	468	557	587	604	587	596

Operating Highlights

	(units)	4Q 2011	4Q 2010	YTD 2011	YTD 2010
Production:					
PVC	KT	40	34	122	114
VCM	KT	41	28	98	64
EDC	KT	29	26	104	96
Caustic Soda	KT	27	25	100	93
Sales:					
PVC Domestic	KT	31	23	113	97
PVC Export	KT	8	9	11	9
Caustic Domestic	KT	22	22	87	80
EDC Export	KT	-	4	15	37
PVC-VCM Margin (In house+ Imported)	\$/ton	329	438	387	315
International PVC-VCM Margin	\$/ton	172	106	146	119
Contribution Margin	Rs. M	1,250	1,243	4,660	3,411
Profit After Tax	Rs. M	(267)	(8)	(707)	(770)

Financial Performance Analysis

4Q '11 vs. 4Q '10 (PAT: –Rs.267 M vs. –Rs.8M)

- Higher sales volumes for PVC, Caustic and VCM exports (+Rs.170 M)
- Higher Caustic margins due to higher prices (+Rs.80 M)
- Lower PVC margins mainly due to lower PVC int'l prices (-Rs.290 M)
- Higher Financial charges and FX losses (-Rs.220 M)

2011 vs. 2010 (PAT: –Rs.707 M vs. –Rs.770M)

- Higher sales volumes for PVC, Caustic and VCM exports (+Rs.270 M)
- Higher PVC margins (+Rs.350 M)
- Higher Caustic margins due to higher prices (+Rs.220 M)
- EDC export losses (-Rs.80 M)
- Higher fixed costs as all VCM related fixed cost was expensed in 2011 (-Rs.390 M)
- Higher Financial charges and FX losses (-Rs.280 M)

Business Outlook

- Margins of the Company will be highly dependent on sustainable VCM plant operations at desired levels therefore stable VCM plant operations continues to be a key focus area for the management
- PVC domestic demand is expected to be stable during 2012
- Demand from agriculture sector and export of pipes to Afghanistan are expected to continue to generate PVC demand, however, gas and power load-shedding are expected to impact the demand of both PVC and Caustic Soda
- PVC margins are expected to be better than 4Q '11 in 1Q '12, however, global economic uncertainty may adversely impact PVC prices



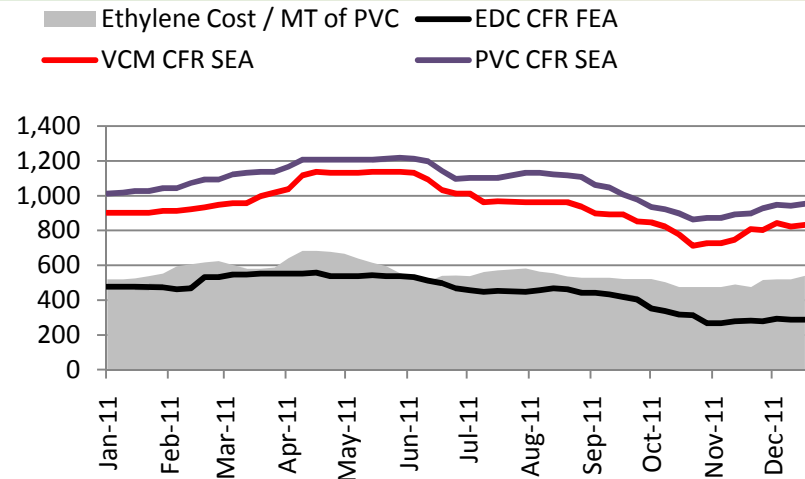
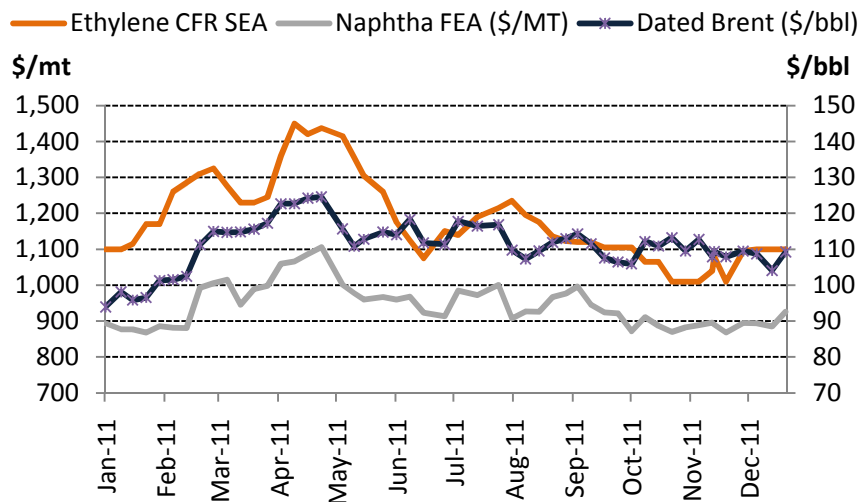
Thank You

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International Market Highlights 2011



1Q '11

Ethylene: High oil prices & relatively tight supply increased prices

PVC: Seasonal pick in demand, relatively tight supply and high ethylene costs

2Q '11

Ethylene: \$10 slide in crude oil & increase in supply as plants returned from turnarounds

PVC: Despite low ethylene costs, high VCM prices kept PVC prices high

3Q '11

Ethylene: Excess Middle East supply and weak downstream demand

PVC: Weak Chinese demand & availability of low priced US resin in Sep

4Q '11

Ethylene: Weak downstream demand and negative margins

PVC: Higher seasonal demand in India gave some support