

Jindal

Poly Films



Q2FY16
Investor Presentation
November 2015

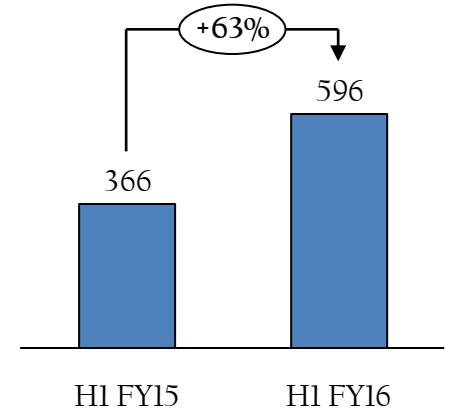
H1 FY16 Performance Highlights

- Revenue at Rs 3,692 Crores led by
 - Jindal Films Rs 2,359 Crs (63% of sales)
 - JPFL stand alone –Rs 1,325 crs (36% of sales)
 - Global Nonwovens Ltd – Rs 8 crs
- Operating income at Rs 596 Crores a growth of 63%
 - Margin improvement in both standalone and Jindal Films
- PAT grew by 125% to Rs 240 Crores
- Jindal Films – US and Europe
 - Revenue at USD 370 mn
 - Operating Income at USD 52 mn against USD 60 mn in FY15
 - Net Profit at USD 25 mn against USD 2 mn in FY15

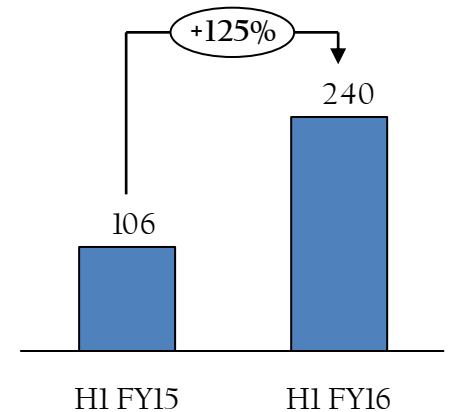
Capex Plan over the next 2 years:

- To add 3 new BOPP lines in, one each in India, Europe & US
- New matelizer and coating capacities
- Estimated project cost of Rs 1,000 Crores

Operating Income Rs Crores



PAT Rs Crores



Business Dynamism

One of India's most diversified group

Vision

To be an acknowledged leader in maximizing stakeholder value, profitability and growth by being a financially strong, customer – friendly and an innovative organization

Values

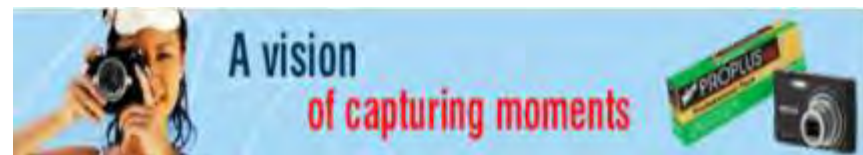
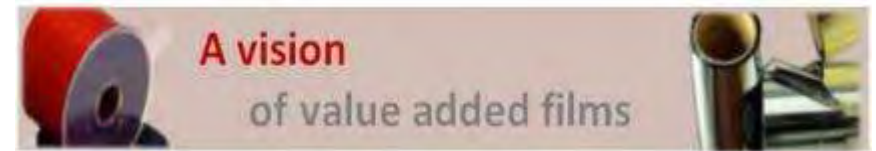
Openness and Transparency

Integrity & Honesty

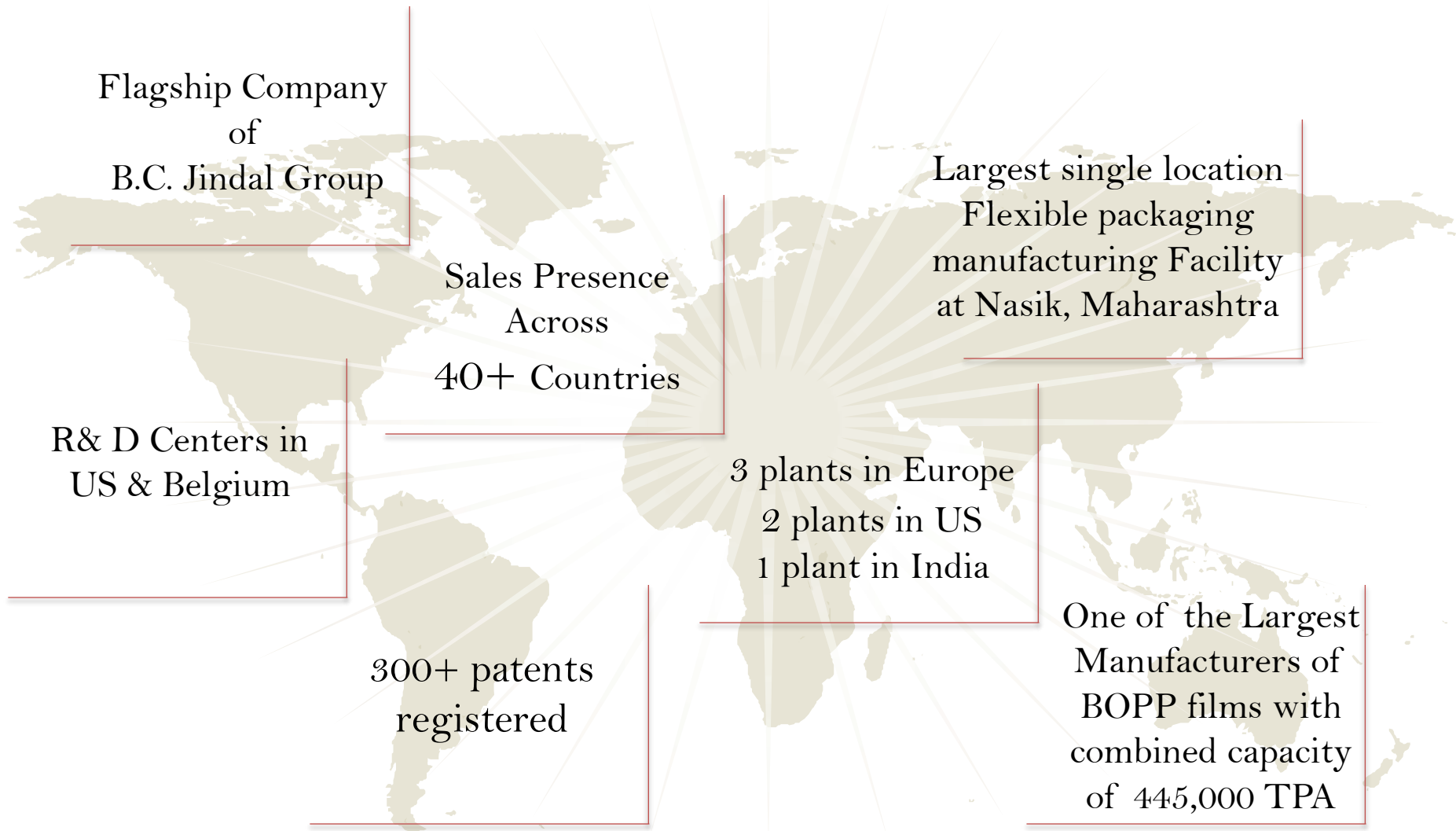
Dedication and Commitment

Creativity & Teamwork

Pursuit of Excellence



Overview



Business Evolution



2014 – 2015

Reorganization

- Merged Manufacturing business of Jindal Photo
- 14,000 TPA coater pant being commissioned
- Received BRC Packaging and Packaging Materials – Standard Certified at Nasik Facility

2009 – 2013

Acquired – Exxon Mobil BOPP films Business

- Another 8.7 meter, thin PET film line was installed (6th Line)
- Acquired BOPP films business from Exxon Mobil, with 5 plants, R & D centre and 300 + registered patents.
- Demerged Investments in separate investments company, Jindal Poly Investments and Finance Co.
- 6th BOPP line in Nasik

2006 – 2008

Leadership in BOPP

- Yarn production discontinued
- Commissioned 3rd BOPP line of 45,000 TPA, - one of the largest in the world and becomes the largest producer of BOPP in India
- Commissioned 2 BOPP film lines capacity of 90,000 TPA (4th & 5th Line)

2004 – 2005

Expansion – BOPET & BOPP

- Expansion of BOPP capacity by 32,000 TPA & BOPET capacity by 25,000 TPA

1996 – 2003

Entry – BOPET & BOPP

- Started Manufacturing – BOPET Films at Nasik, Maharashtra
- Diversified into BOPP Films and entered the metallised films segment
- Acquisition of REXOR, France

1985 – 1993

Polyester Yarn Business

- Commenced manufacturing of Polyester Yarns at Bulandshar, UP
- Backward Integration into manufacturing of polyester chips for captive use

Operating Management Structure



India Business

- Ownership and Executive
 - Clearly defined roles & responsibility
- Managed by a 'Management Committee' (MC) comprising of high quality well experienced professionals
- Stringent internal control and monitoring systems in place

Overseas Business

- Independent management for Europe and US
- Advisory and review mechanism in place
- Existing Exxon Mobil team continues to manage the business

Management Team – JPFL India



Sanjay Mittal

Whole time Director

With over 2 decades in Jindal Poly Films, he is a well qualified professional with more than 30 years of experience in Accounts, Taxation and Management



Mohan B Vipra

Senior Vice President

Engineer with 29 years experience, he heads the plant, over seeing quality, workforce and new product development



Manoj Gupta

Chief Financial Officer

A BCom, FCA, AICWA, ACS and DITM. CA rank holder with meritorious academic and professional carrier. He has a rich experience of over 20 years working with Essar Group, Vedanta Group, Tata Chemicals, Grasim Industries Ltd



Sanjeev Saxena

AVP - BoPET Production

Electrical Engineer with Masters in Control and Instrumentation. He has 22 years experience in Chemical and Plastic Industry

Team – Jindal Films Europe



Mirek Tokaj

Sales and Marketing Director

With over 20 years with the company he has held various positions in Sales and Marketing including Product Manager and has been leading the Sales and Marketing Organization in Europe, He holds a Master's degree in Mechanical Engineering



Marcello Bergamo

Manufacturing Manager, Brindisi & Kerkrade

He has held various Global positions including Planning Manufacturing Manager, Planning & Business Development Manager. He is now the Manufacturing Manager of the Brindisi (Italy) & Kerkrade(The Netherlands) production sites and holds a master's degree in Microelectronic Engineering and has a dual MBA in Finance and Management



Serge François

Manufacturing Manager, Virton, Belgium

A mechanical engineer, he has worked for the European Engineering Department and held several leadership roles mainly in Operations and has been Plant Manager in the BOPP plant in Kerkrade – The Netherlands

Team – Jindal Films US



Scott Van Winter

Executive Vice President

With an MBA in Administration and Finance, he has held various leadership positions in Sales, Marketing in the Flexible packaging industry



Sitakant Chaudhury

Chief Financial Officer

He has held the position of a CFO for international pharmaceuticals corporation with a BS in Accounting, ICWA, CMA from USA and MBA



Kevin Donovan

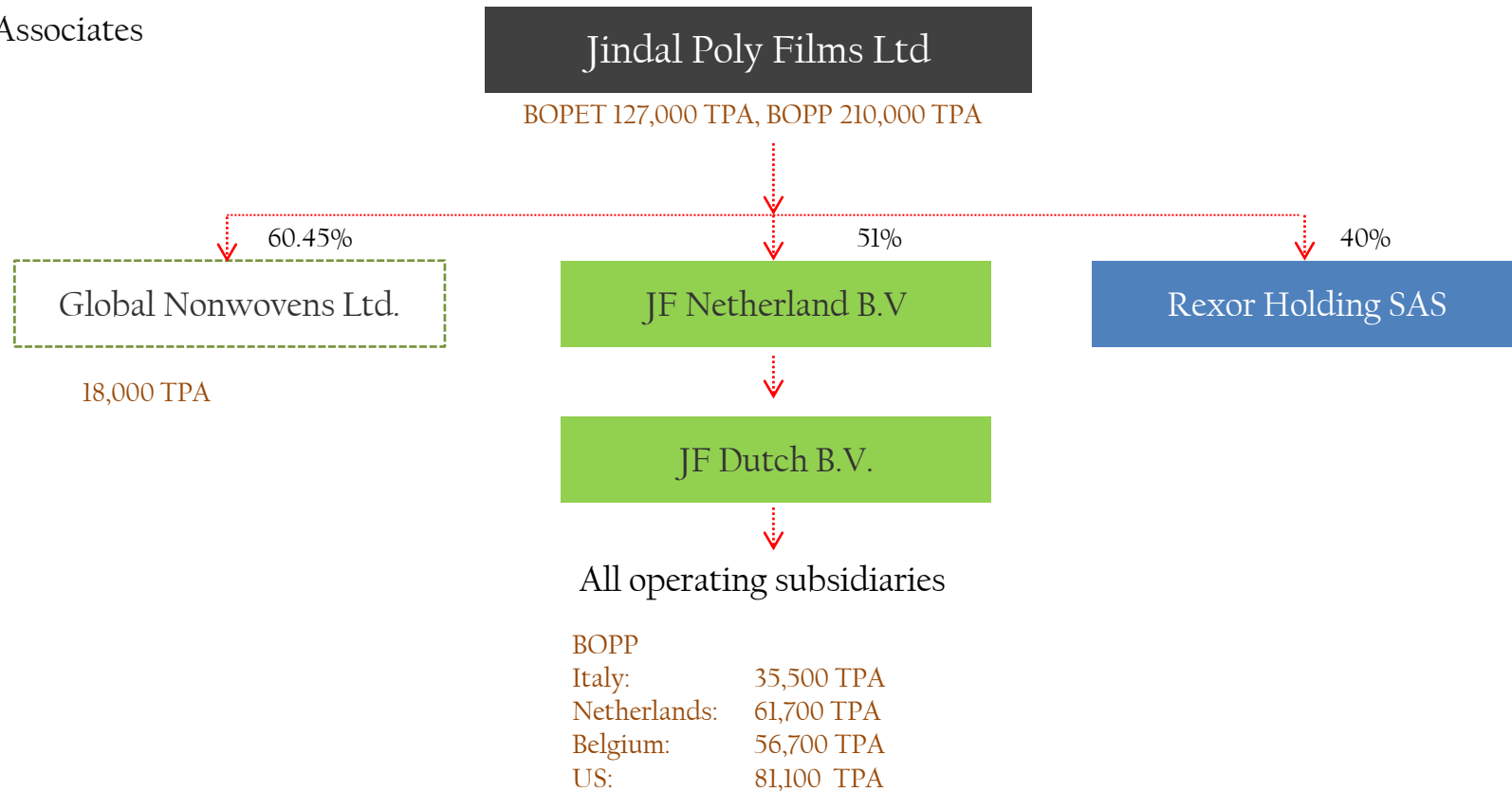
Manufacturing Manager, US

Served the organization as Global Technology & Plant Manager and has a Chemical engineering degree and an MBA

Corporate Structure



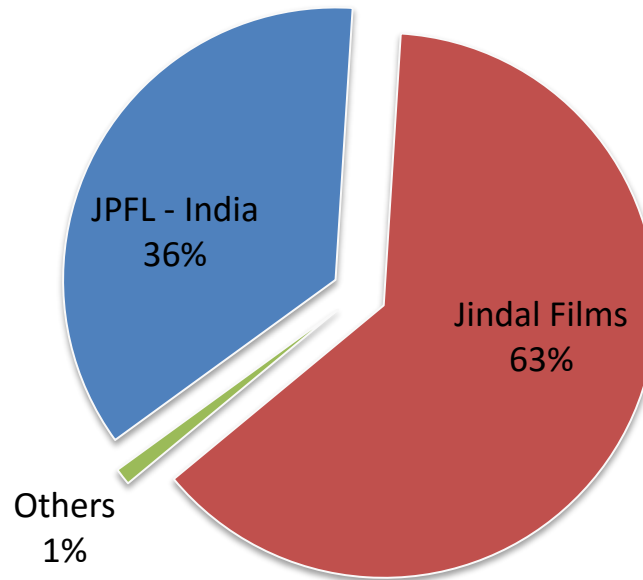
Subsidiaries & Associates



FY 15 Revenues

Jindal Poly Films

Leader in BoPP and BOPET films in India



Jindal Films

Acquired BOPP films business

Leader in BOPP films in US and Europe, specialising in metalized and coated films

Business Details



Jindal Poly Films – A brand recognised for *Quality* and *Reliability*



- Leading producer of high performance Polyester and BOPP films (Plain, metalized and coated) for use in flexible packaging industry
- Worlds largest single location manufacturing facility for plastic films in Nasik
 - Provides a highly cost competitive structure
- Backward integration in Polyester Chips manufacturing (used to make BOPET films) provides better operational efficiencies

Capacity (TPA) India	FY15	Name Plate Capacity Utilisation	Practical Capacity Utilization
BOPET	127,000	79%	84%
BOPP *	210,000	54%	73%
Metalized Films	63,360	64%	65%
Captive Polyester Chips for BOPP	176,400	50%	NA

* To add 41,000 TPA capacity by July 2016

Product Use

Packaging



Labelling



An undisputed Leader in Global Flexible Packaging



Exxon Mobil – Acquisition Details

- Jindal Poly Films India acquired the global BOPP films business of Exxon Mobil (now called “Jindal Films”) in 2013 for USD 216 mn
 - Leading manufacturer of BOPP (including Metalized and Coated Films) in US and Europe
 - Products mainly used in flexible packaging and label applications by large FMCG companies
 - 5 manufacturing units globally – 3 in Europe and 2 in the US – total capacity of 235,000 TPA
 - Strong technology and R&D capabilities with 300+ patents and a strong product pipeline
 - Strong customer base with global brand owners (FMCG) and large converters
 - BRC Packaging Standard Certified

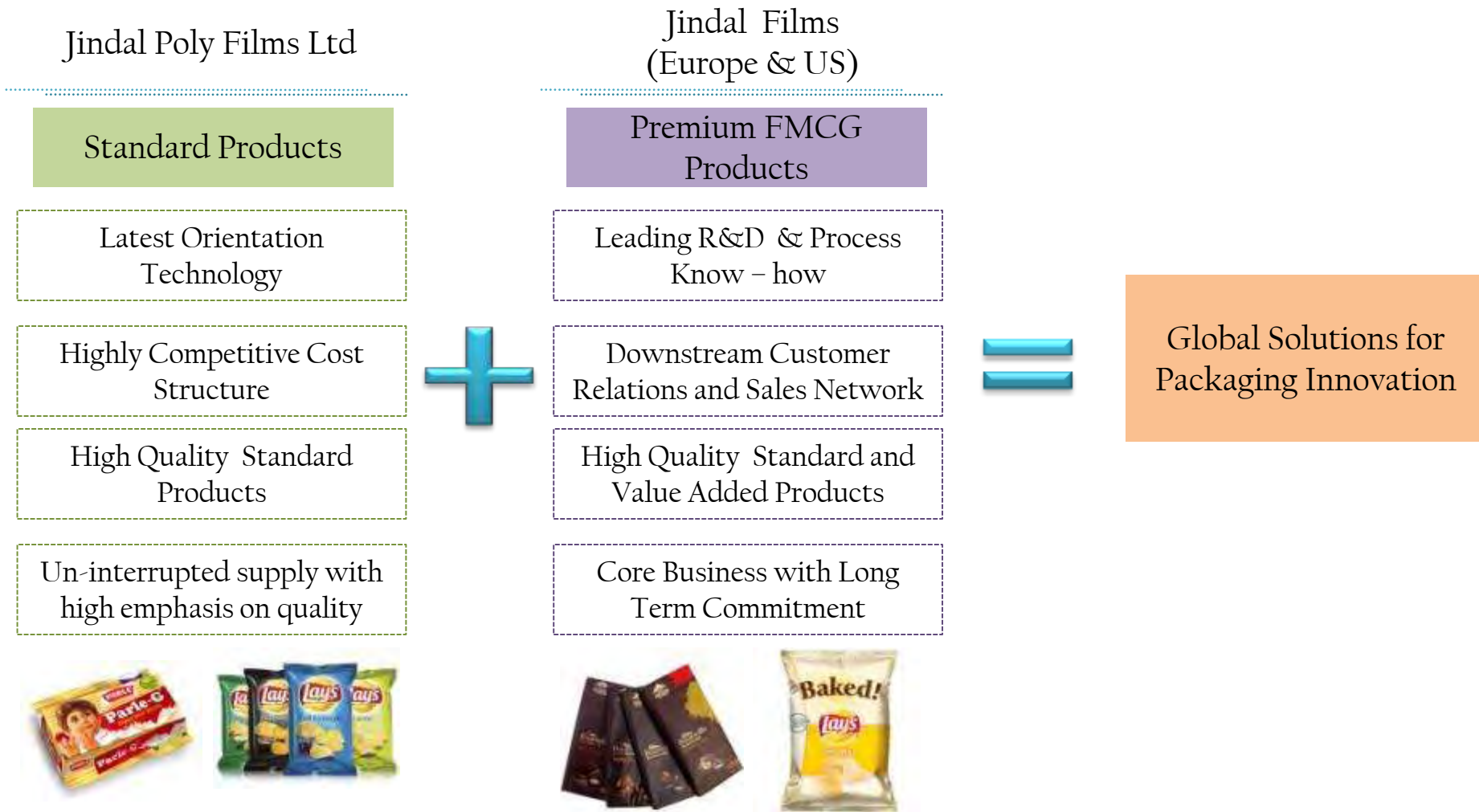


Jindal Poly Films Limited – Post Consolidation

- ✓ ~5% global Market share in BOPP films
- ✓ One of the WORLDS LARGEST BOPP films manufacturer
- ✓ 300+ Registered Patents and access to value added products
- ✓ Global Foot Print with Manufacturing Base in 3 Continents
- ✓ Best practices being between different organizations being implemented

One of the worlds largest Innovative Packaging Films Producer

Balanced Proposition to Business De-Risking



Comprehensive product portfolio with potential to add new substrates in the future

Meticulous turnaround of the acquired entity...

Quality of Revenue

Took targeted price increases across product categories and also significantly reduced the sales of loss making products

SG&A Cost Reduction

Renegotiated all service and procurement contracts and revisiting the scope of the services, resulting in lower cost

Planning & Implementation

Pre acquisition planning followed by close monitoring during implementation

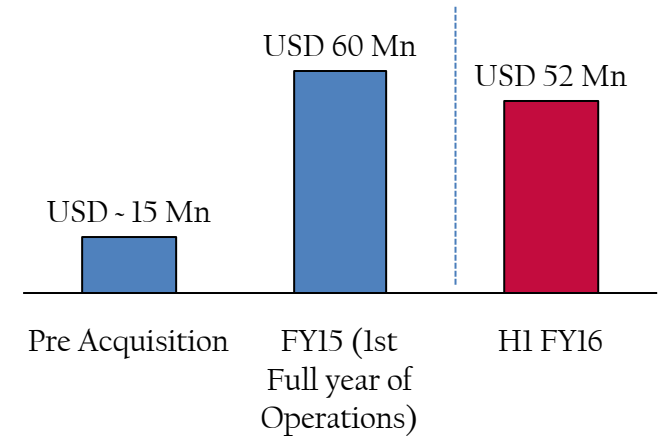
Global RM Procurement

Leveraging global requirements and relationships for sourcing & introduced new suppliers to create competition

Manufacturing Efficiencies

Continuous focus and a few shorter payback Capex initiatives have resulted in reduction of waste and improvement in the productivity

4x EBIDTA within a year of acquisition



.... the journey continues



- 51% owned by Jindal Photo Ltd and 49% by Jindal Poly Films Investment & Finance Ltd
- Operates Thermal power plants under **Jindal India Thermal Power Ltd**
- Total Project Cost ~ Rs 7,500 Crores
- Total Investment by JPFL : ~ Rs 624 Crores till date in the form of Redeemable Preference Shares

Plant Details

Location: Angul, Orissa

2 X 600 MW

Fully operational Pithead domestic coal based Thermal Power Plant

- Present in luxury packaging and a leader in tear tapes and film wrap in Europe
- Manufacturing Facility – Paladru, France
 - Coating capacity of 5,200 TPA
 - Metalizing capacity of 3,500 TPA
- Innovative and tailor made solutions supported by a strong R&D department
- End Use:
 - Food packaging; Tear – Tape
 - Building market: insulation, decoration
 - Graphic Arts and Protection
 - Security solutions

Only independent producer of security threads
for bank notes to combat counterfeiting

Only French producer of hot stamping foils
& European leader in lamination films

One of the Largest producer of Tear Tape
and Film Warp in Europe

Tear – Tape



Food Sealing



Textile Lamination



Energy Saving
Metallised Films



Graphic Arts



Security Films



Global Nonwovens Ltd



NonWovens

Polypropylene based nonwoven packaging solutions with REICOFIL Germany Technology

Our Range

SS Rolls – Weight 10 – 17 GSM 60%
SMS Rolls – Weight 12 – 55 GSM 40%

Applications

Hygiene and medical applications

Capacity

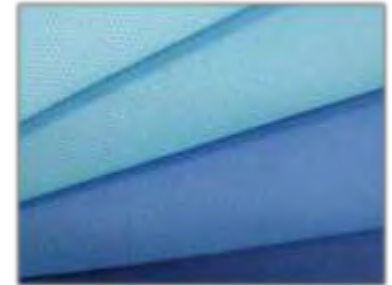
Nasik – plant commissioned on 1st July 2015,
Capacity 18,000 TPA

Market Potential

Presently 70% of India's requirement is imported, supplied to established brands in India

Project Costing

Total Project cost of Rs 481 Crores – Rs 335 Crores Debt & Rs 146 Crores Equity
Project under TUFS with interest and capital subsidy

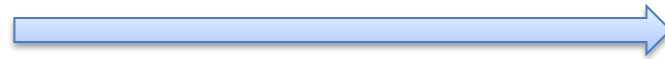


Jindal Photo (Manufacturing Facility)

A leading photographic importer,
producer / manufacturer and
seller in India

Merger

Effective from 1st April 2014



Jindal Poly Films Ltd

Global Leader in Polyethylene
packaging films

Business of Manufacture, production, sale and
distribution of photographic film products

Manufacturing: Dadra & Nagar Haveli and
Samba in Jammu & Kashmir

Merger Prospects :

- Better synergy & optimization of resources with the existing business of the company
- Growth in plastic film based products in photographic end – uses



Product Details



BOPET Films



Domestic Market share of ~ 28%

Product Characteristic

Biaxially –oriented polyethylene terephthalate
Improves shelf life of product and increases product appeal

Product Range

Thin : 8 – 50 Micro
Thick: 50 – 350 Micro

Applications

Thin: FMCG packaging, lamination to other plastic films
Thick: Electronics, Stationary, Motor Insulation, Sequence for textile

Capacity

127,000 TPA in India

Raw Material

Backward integrated with 176,400 TPA BOPET Chips making Capacity at Nasik, Maharashtra



BOPP Films



Domestic Market share of ~ 34% , Global Market Share ~ 5%

Product Characteristic

Biaxially –oriented polypropylene
Higher moisture retention properties, easy to recycle



Product Range

8 to 75 Micron
3 layer and 5 layer OPP film

Applications

Textile, Tape, FMCG packaging, Labels
Lamination to Paper and other plastic films



Capacity

210,000 TPA in India
235,000 TPA in Europe and US



Raw Material

Resins procured from petro-chemical suppliers

Speciality Films



Metalized Films

Coated Films

Product Characteristic

Vacuum deposits of Aluminum on BOPET and BOPP Films to provide better barrier

Provides advanced barrier, print receptivity

Applications

Main use in packaging of processed and semi processed food items with moisture, oxygen barrier
Other uses: Gift Wrapping and Metallic Yarn

Pressure sensitive labels and flexible packaging industry , other tailor made properties

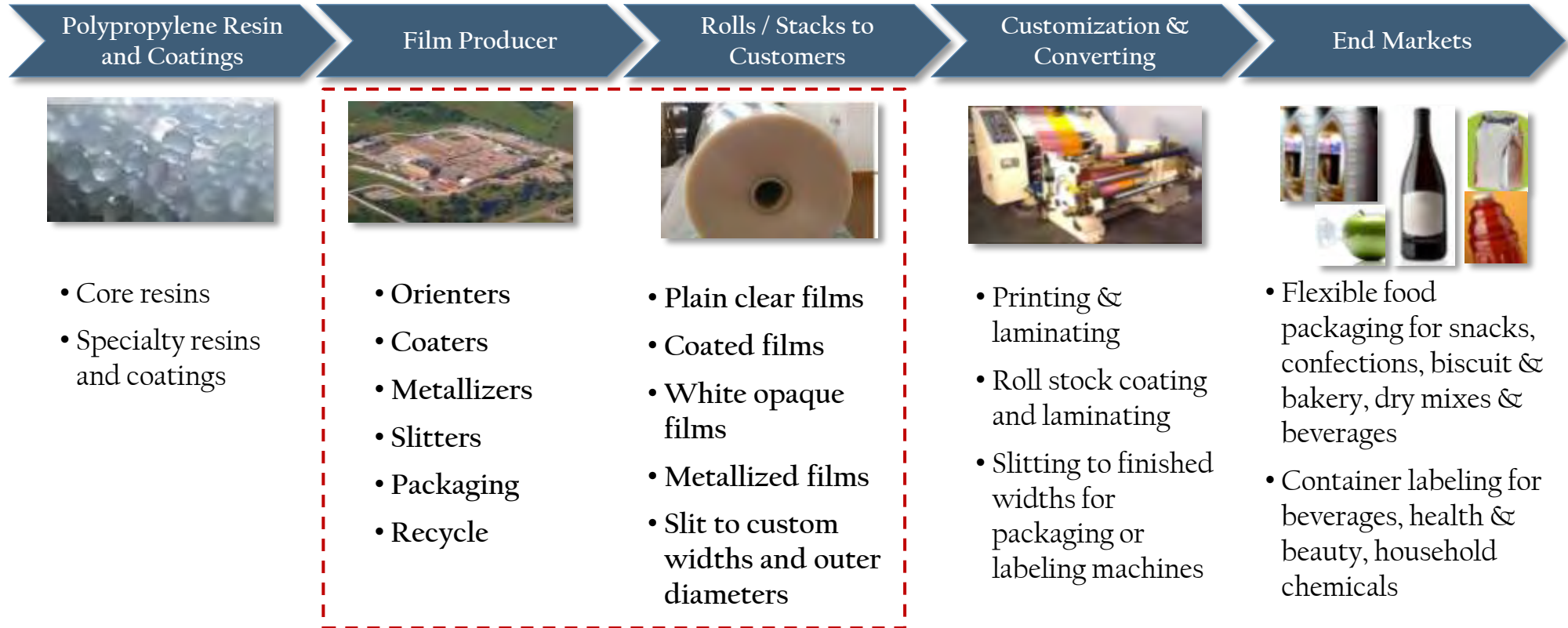
Global Capacity

~ 80,000 TPA

~ 1,00,000 TPA



Product Value Chain



Key Customers

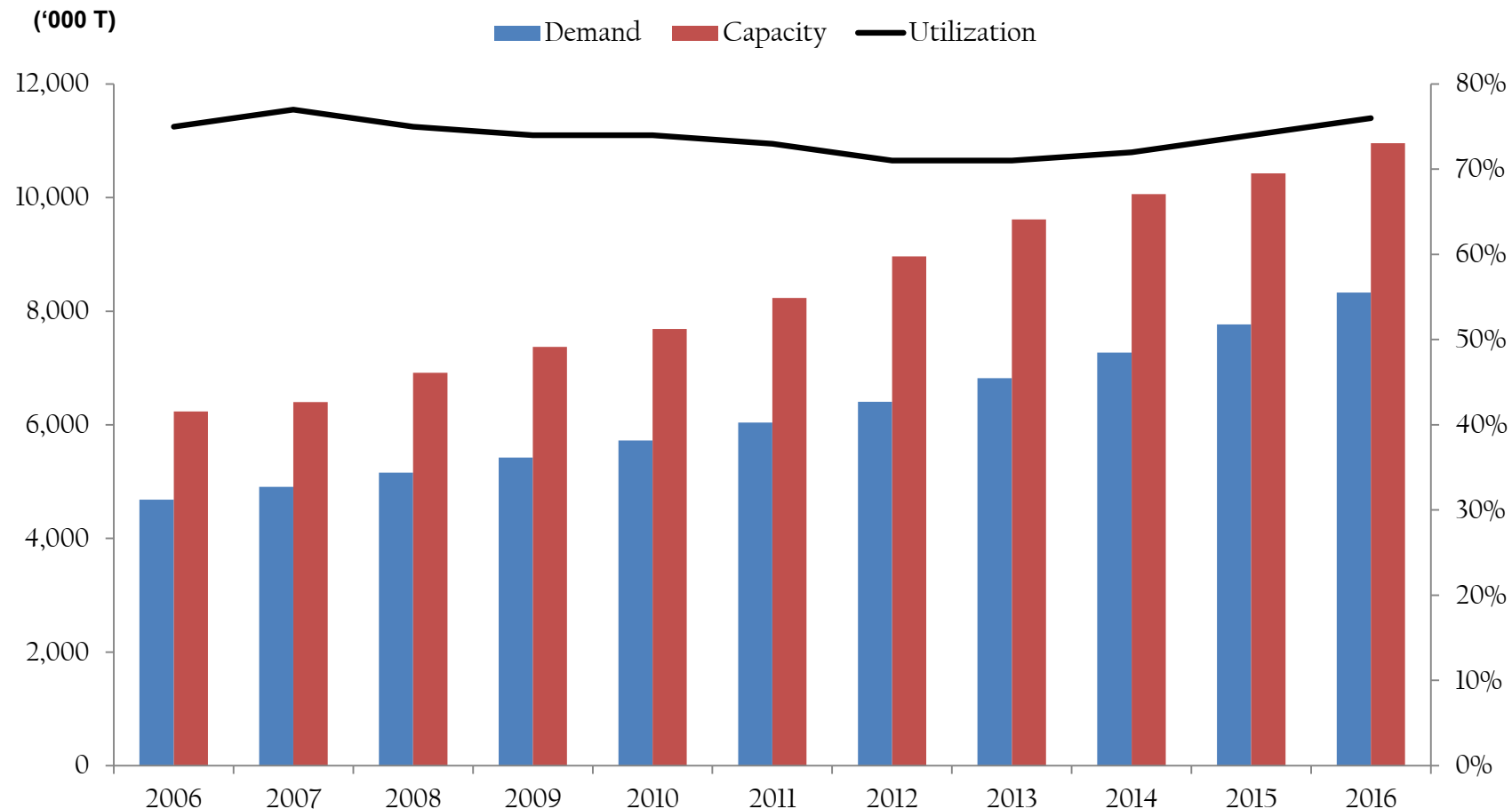


Packaging Films Market



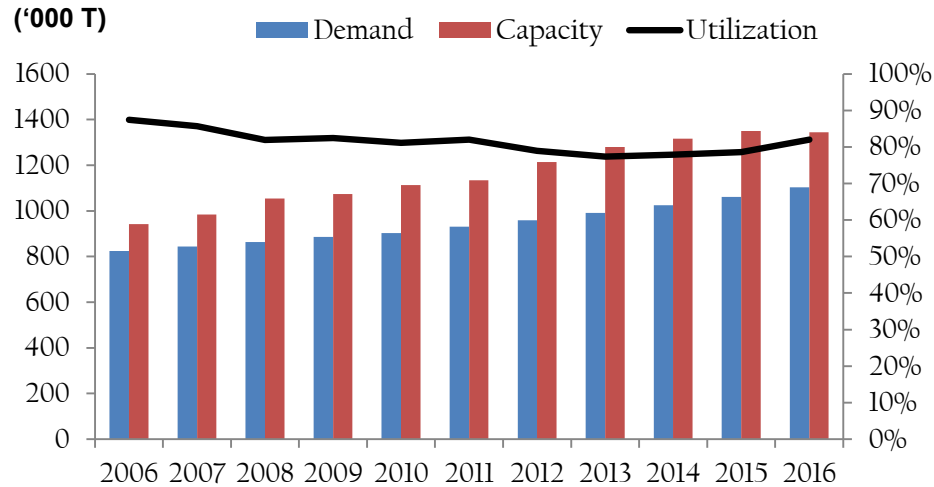
Global BOPP Demand and Supply

- Low utilization rates in emerging markets will drive increased exports to developed markets
- Global Utilisations reaching peak levels

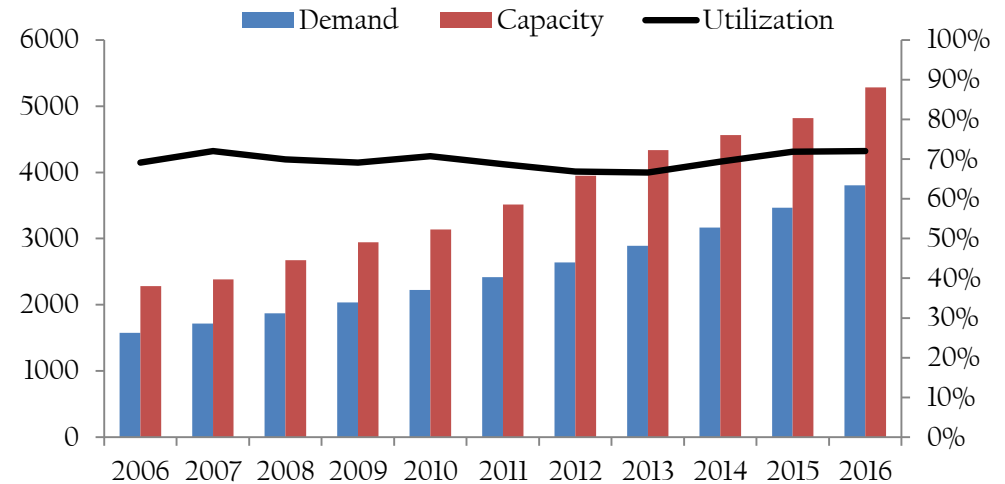


BOPP Regional Supply & Demand

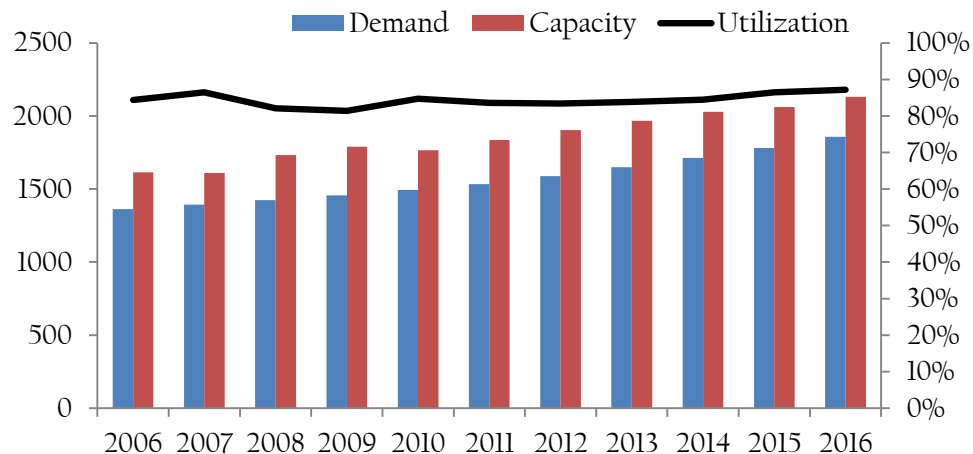
USA



Europe, Middle East & Africa



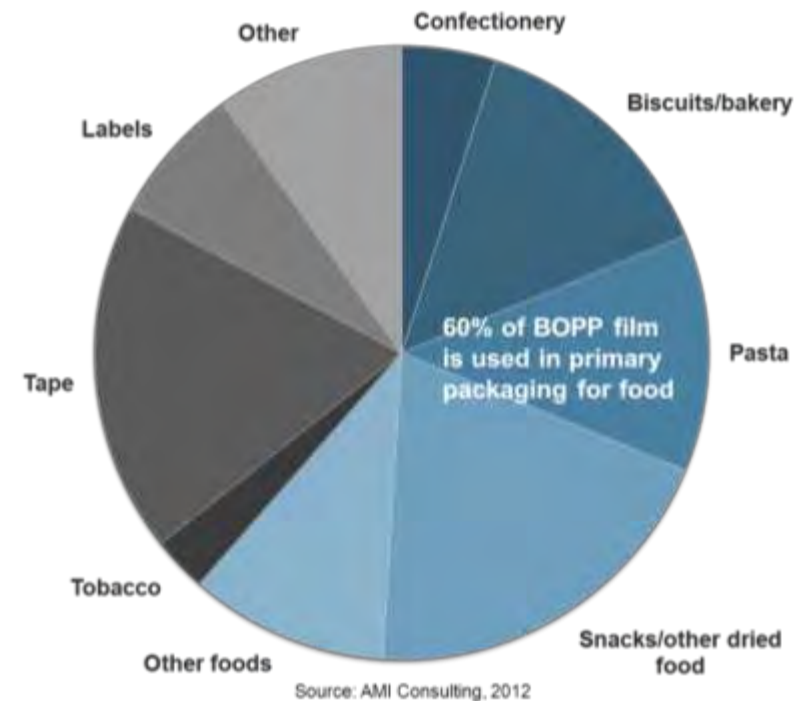
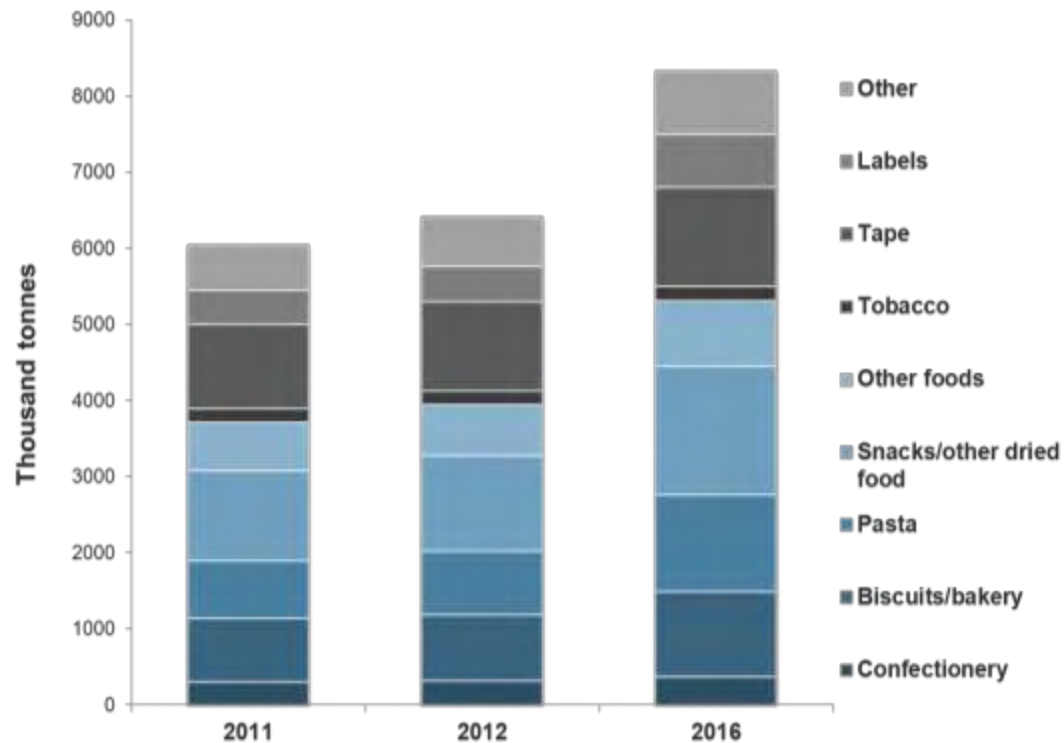
China



- Mature regions CU ~ 82%, Rest of world CU ~ 67%
- China has 44% of global capacity
- Since 2006, China capacity additions are > 60% of global total additions
- Global demand:
 - China ~ 41%; Forecasted growth of 10% pa
 - EU ~ 19%; Forecasted growth of 3% pa
 - NA ~ 10%; Forecasted growth of 2% pa

Global End Use Market for BOPP Films

- End use applications can be broadly divided into food (60% of the market by volume) and non-food markets
 - Labelling accounts for around 7% of OPP demand
- OPP film forecast to grow at 6.6% per year to 2016
 - Food packaging films to advance at 7.4% per year
 - non-food applications by 5.3% per year
 - Label films represent the fastest growth segment of the non-food films at 9.5% per year



Business Drivers



Growth Drivers



Market Leadership

01

Economies of Scale

02

Product Offerings

03

Sustained Growth Rate

04

Global Reach

05

State of Art Facilities

06

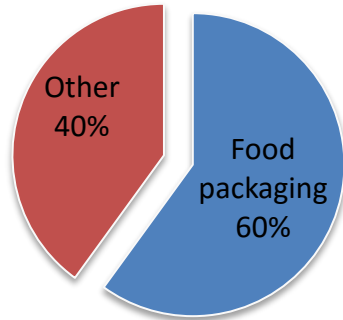
Technology Leadership

07

1. Market Leadership...

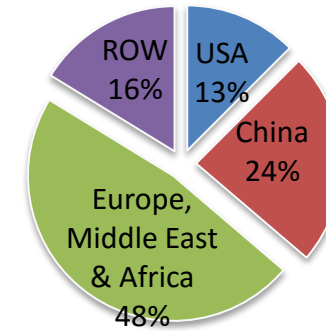
Global BOPP Market

Dominated by Food Packaging



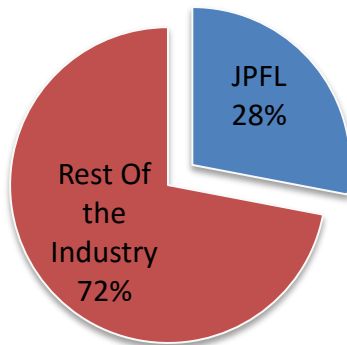
~5% share of Global BOPP films market

World Consumption



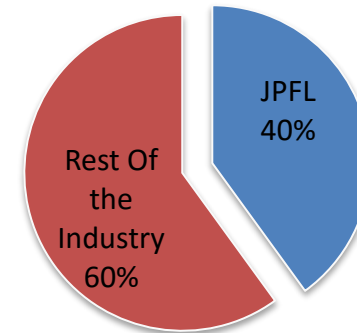
Indian Market

Indian BOPET Industry



With only 1/3rd consumption for Food packaging, India will continue to witness higher growth

Indian BOPP Industry



2. ...driving Economies of Scale

 ~5% Global Market Share in BOPP Films

Indian Market Share in BOPET Films  ~28%

 ~34% Indian Market Share in BOPP Films

Europe and US Market Share– BOPP Films  ~10%



World largest single location BOPP facility at Nasik provides operational efficiencies



Highly cost competitive structure



Large global requirement of PP resin provides an ability to negotiate competitive rates

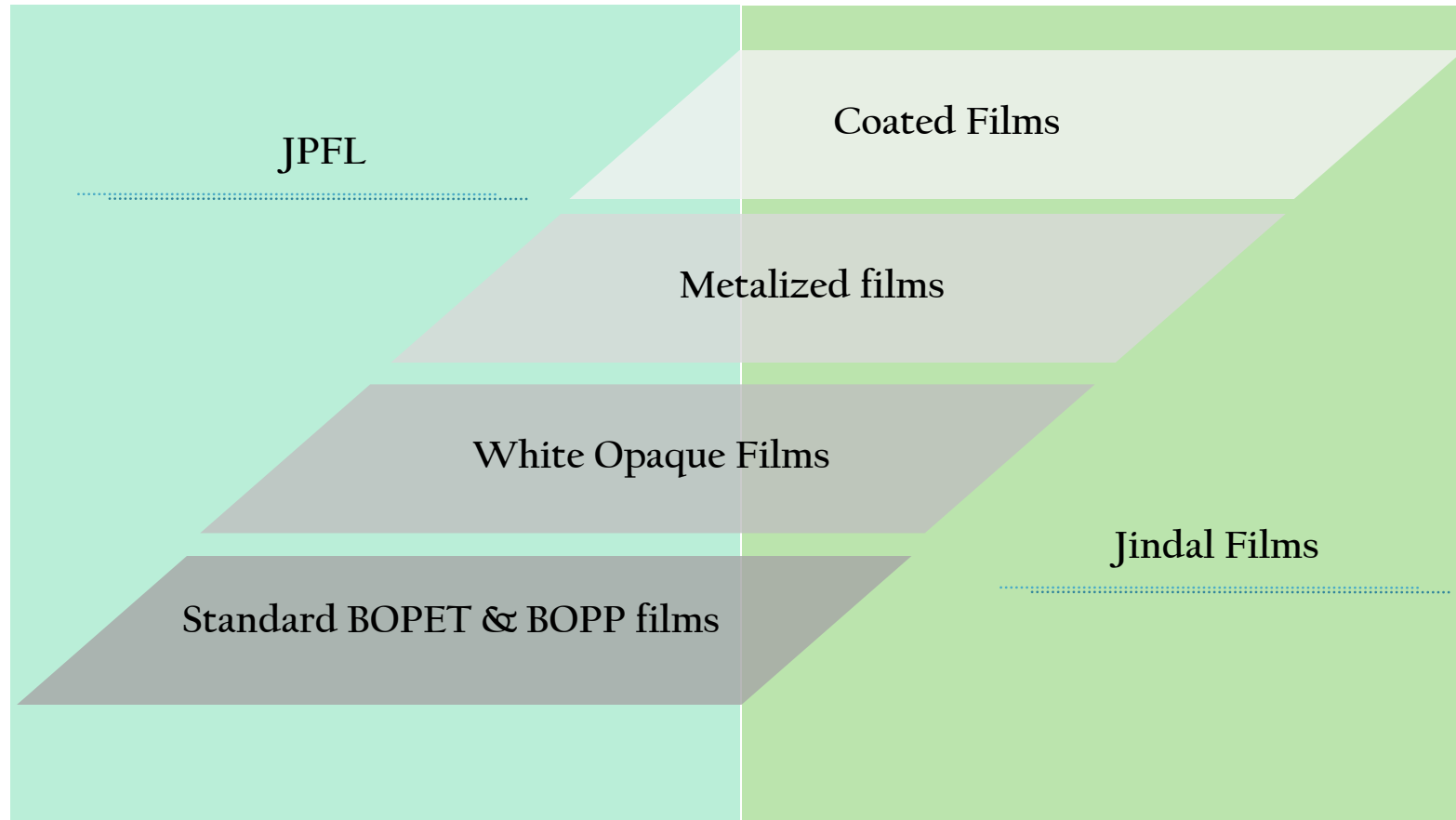


Long term relationships with niche suppliers of specialised raw materials

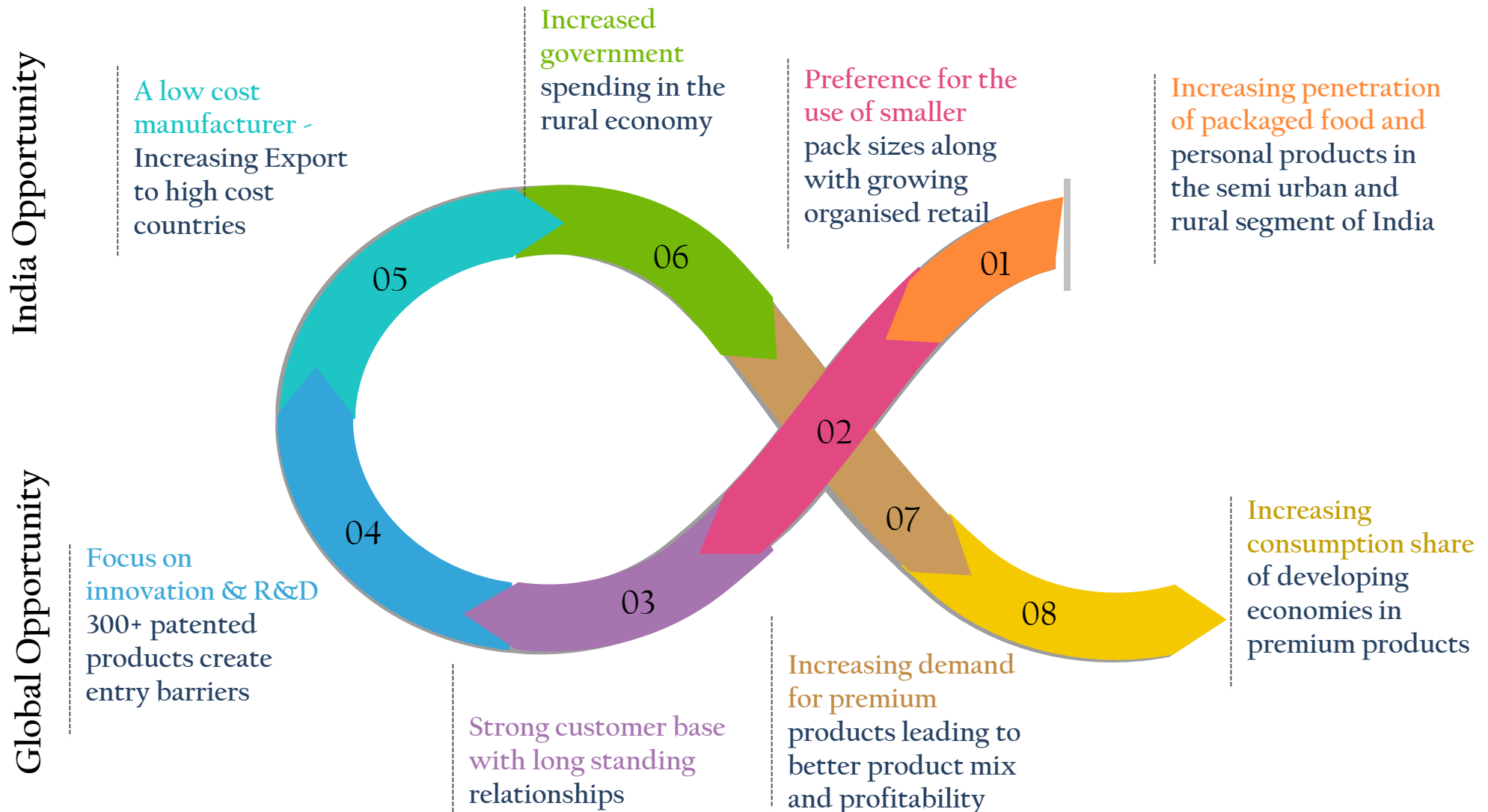
3. Product Offerings...



...Covering the value chain in Flexible Packaging

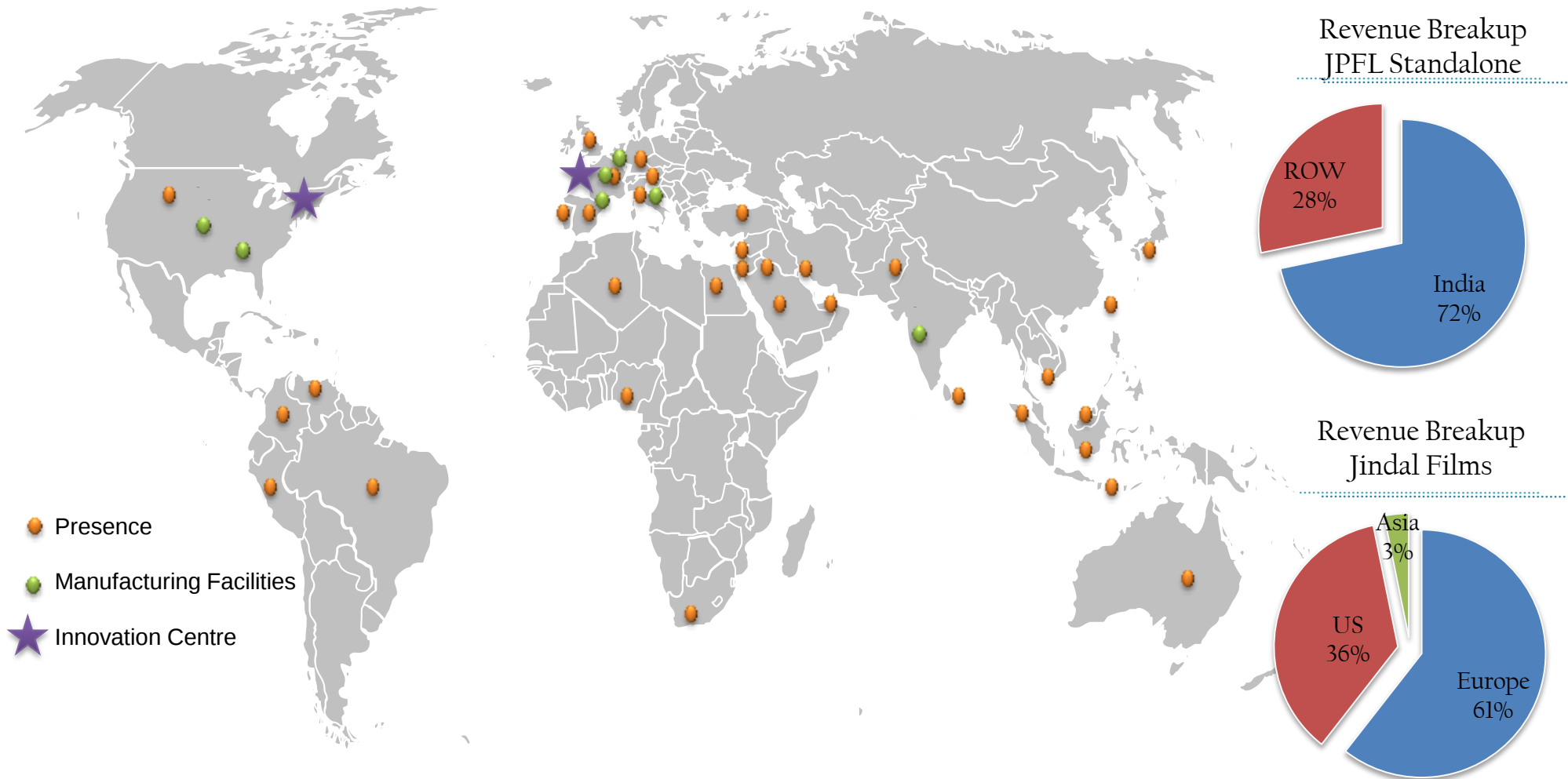


4. Sustained Growth Rate – An Opportunity



5. Global Reach

Presence in over 40 countries with sales channels to reach customers in over 150 countries



6. State of the art Manufacturing Facilities

State of the art Machinery

Global Presence

India – Nasik, Maharashtra; Europe – Belgium, Italy, Netherlands; US – Georgia, Oklahoma

Largest Single – location manufacturing capacity

Single – location capacity – Largest in the world at Nasik
Latest equipment and scale results in lowest production cost

Value Added Equipment

Metalizing and Coating equipment enables production of high value added films



BOPP Production Line



Specialty Films Machine

....Creating Entry Barriers

Ariel view of our facilities US & Europe



Georgia – US



Oklahoma – US



Netherlands – Europe



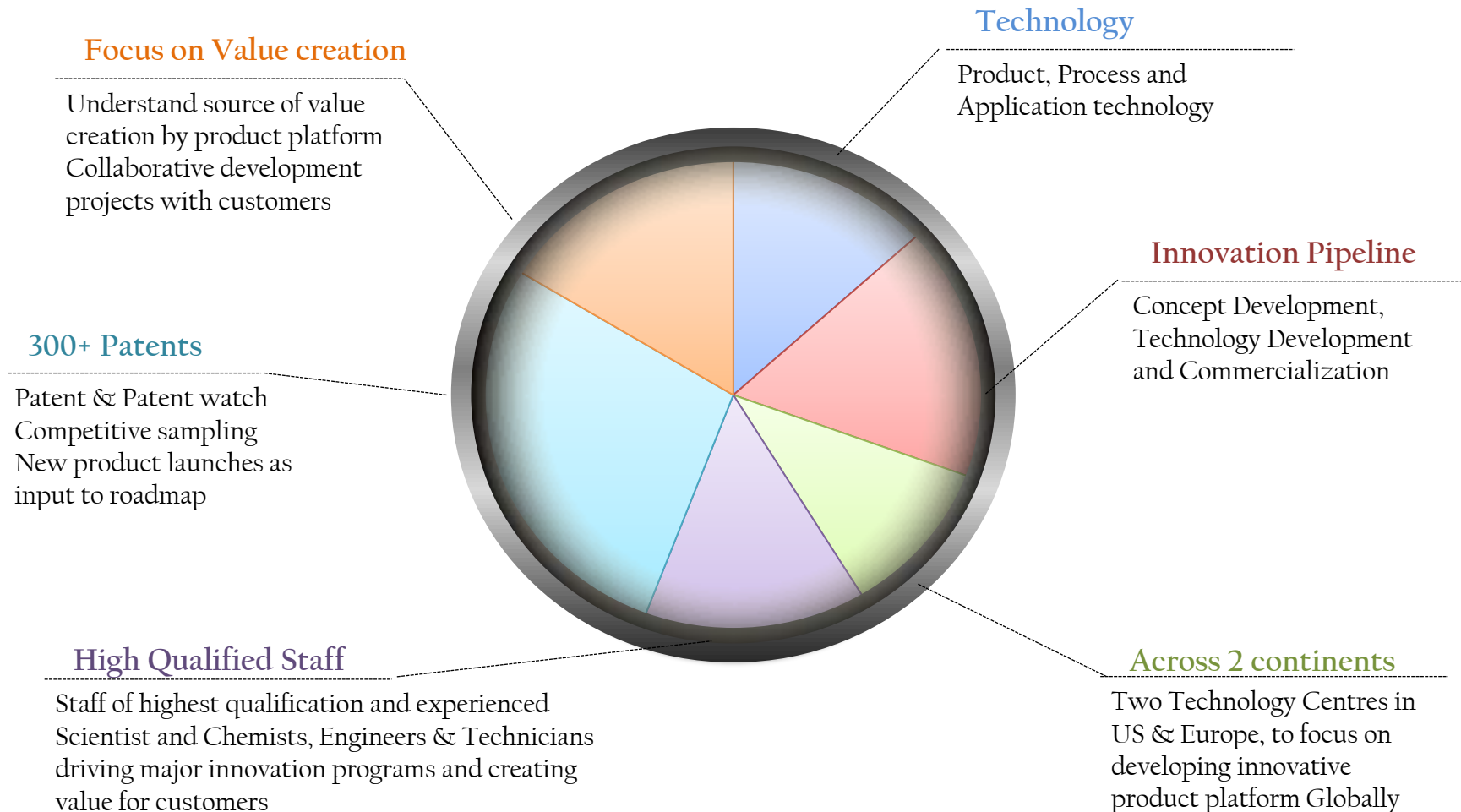
Belgium – Europe



Italy – Europe



7. Technological Leadership



Annual spend of > USD 15 Million on innovation

Financial & Operating performance



Consolidated Financials: Quarterly & Half Yearly

Quarterly			Particulars (Rs. in Crores)	Half Yearly		
Q2FY16	Q2FY15	YoY %		H1FY16	H1FY15	YoY %
1,803	1,894	-5%	Revenue	3,694	3,879	-5%
1,561	1,723		Operating Cost	3,097	3,513	
243	171	42%	Operating Income	597	366	63%
13%	9%		Operating Income Margin	16%	9%	
6	-1		Other Income	11	8	
64	47		Depreciation	119	116	
25	20		Finance Cost	39	38	
-7	-45		Exceptional (Gain)/Loss	6	-49	
153	58		PBT	456	172	
53	24		Tax Expenses	130	56	
100	35	186%	PAT from ordinary activities	326	116	179%
0	0		Loss from Discontinued Operations	-1	-1	
99	34		PAT	325	116	
0	0		Associate Interest	0	0	
27	-11		Minority Interest	84	9	
72	45	59%	PAT after Minority Interest	240	106	125%
4%	2%		Net Profit Margin	6%	3%	

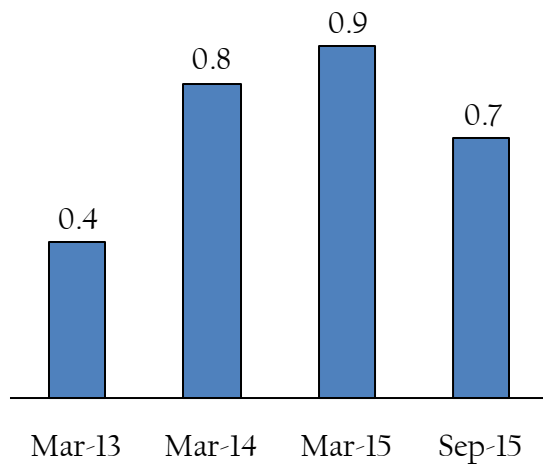
Standalone Financials: Quarterly & Half Yearly

Quarterly			Particulars (Rs. in Crores)	Half Yearly		
Q2FY16	Q2FY15	YoY %		H1FY16	H1FY15	YoY %
612	675	-9%	Revenue	1,333	1,342	-1%
530	583		Operating Cost	1,096	1,177	
82	92	-11%	Operating Income	237	165	43%
13%	14%		Operating Income Margin	18%	12%	
7	6		Other Income	15	16	
14	14		Depreciation	28	27	
8	5		Finance Cost	15	14	
-5	-4		Exceptional (Gain)/Loss	-8	-4	
62	76		PBT	201	136	
22	26		Tax Expenses	54	37	
40	50	-19%	PAT from ordinary activities	148	100	48%
0	0		Loss from Discontinued Operations	-1	-1	
40	50	-19%	PAT	147	99	48%
7%	7%		Net Profit Margin	11%	7%	

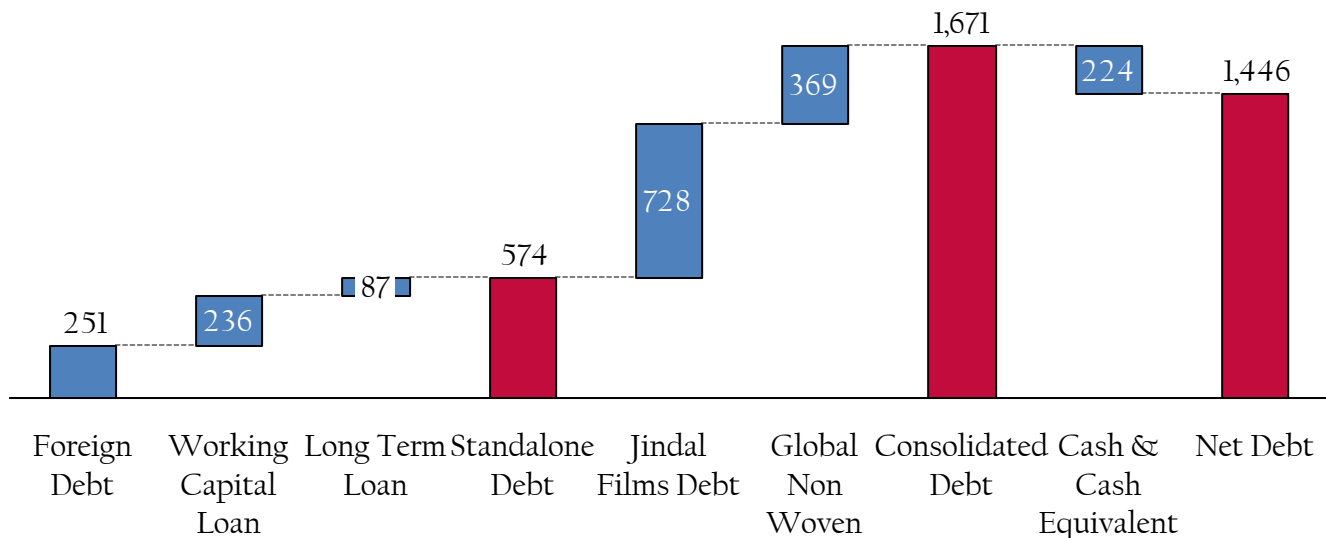
Managing Debt at Comfortable Levels

- Global Non Woven project under TUFS with interest and capital subsidy
- FY16 Financing Developments –
 - Refinancing of the acquisition loan of USD 91.84 Mn with a new loan from a consortium of Indian, European Banks and American Banks
 - The same has resulted in over all interest cost reduction as well
 - The new loan is without any recourse to / corporate guarantee of JPFL

Debt to Equity
(Consolidated)



Sep '15 Debt break up
(Consolidated)



P&L Statement



Standalone		Particulars (Rs. in Crores)	Consolidated	
FY15	FY14		FY15	FY14
2,504	2,631	Revenue	7,287	5,143
2,222	2,345	Operating Cost	6,641	4,727
283	286	Operating Income	646	416
11%	11%	Operating Income Margin	9%	8%
39	29	Other Income	13	27
55	94	Depreciation	227	188
26	53	Finance Cost	82	120
-3	-27	Exceptional (Gain)/Loss	-117	-27
237	141	PBT	233	109
79	56	Tax Expenses	46	41
159	85	PAT from ordinary activities	187	69
-5.4	-1.8	Loss from Discontinued Operations	-5.4	-1.8
153	83	PAT	182	67
-	-	Associate Interest	-0.28	-0.1
-	-	Minority Interest	9.38	-11.46
153	83	PAT after Minority Interest	172	78
6%	3%	Net Profit Margin	2%	2%
36.4	19.8	EPS	43.2	15.9

Balance Sheet



Standalone		Particulars (Rs. in Crores)	Consolidated	
Sep '15	Mar '15		Sep '15	Mar '15
		Shareholders Funds		
1,632	1,458	Net Worth	2,113	1,690
-	-	Minority Interest	568	468
482	436	Total Non-current Liabilities	2001	1954
297	256	Long-term borrowings	1,298	1,229
185	180	Other Long- term Liabilities	703	725
523	535	Total Current Liabilities	1488	1559
236	220	Short Term Borrowings	331	439
161	202	Trade Payables	745	632
127	113	Other Current Liabilities	412	488
2,637	2,429	TOTAL EQUITY & LIABILITIES	6,170	5,672
1,938	1,666	Non-Current Assets	3,769	3,415
1,219	1,180	Fixed Assets	3,108	2,975
719	487	Other Non Current Assets	662	440
698	762	Current Assets	2401	2257
42	126	Current Investment	65	139
219	234	Inventories	993	929
152	136	Trade Receivables	795	686
67	35	Cash & Cash Equivalents	160	121
218	231	Other Current Assets	389	381
2,637	2,429	TOTAL ASSETS	6,170	5,672
464	345	Net Debt	1,445	1,567
0.28	0.24	Net Debt to Equity Ratio	0.68	0.93
211	168	Net Working Capital	1,043	983

Jindal Films - P&L Statement



USD Million Financials as per IFRS	H1 FY16	FY15
Revenue	370	791
Operating Cost	318	732
Operating Income	52	60
Operating Income Margin	14%	8%
Depreciation	15	32
Finance Cost	2	33
PBT	36	-4
Tax Expenses	11	-6
PAT from ordinary activities	25	2
Bargain purchase	0	0
Net Profit	25	2

Euro to USD Rate:

April 1, 2014 – March 31, 2015 (Average) 1 : 1.2812

April 1, 2015 – September 30, 2015 (Average) 1 : 1.1157

Jindal Films - Balance Sheet



USD Million Financials as per IFRS	Sep '15	Mar '15	Mar '14
Shareholders Funds	157	129	152
Total Non-current Liabilities	173	175	243
Debt & finance	93	98	141
Other Long- term Liabilities	80	78	102
Total Current Liabilities	145	159	175
Debt & financing	14	55	26
Accounts payable	88	65	98
Other Current Liabilities	43	38	52
TOTAL EQUITY & LIABILITIES	475	463	570
Non-Current Assets	233	234	291
Fixed Assets	231	231	288
Other Non Current Assets	3	3	3
Current Assets	242	230	279
Inventories	115	110	135
Trade Receivables	98	88	114
Cash & Cash Equivalents	9	13	12
Other Current Assets	20	19	18
TOTAL ASSETS	475	463	570
Net Debt to Equity Ratio	0.63	1.09	1.02
Net Working Capital	125	133	152

Euro to USD Rate:

March 31, 2014

1 : 1.3788

March 31, 2015

1 : 1.0759

September 30, 2015

1 : 1.1203

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For further information, please contact:

Company :

Investor Relations Advisors :

Jindal Poly Films Ltd

CIN: LI7111UP1974PLC003979

Mr. Manoj Gupta – CFO

Email: manoj.gupta@jindalgroup.com

www.jindalpoly.com

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Ms. Ruchi Rudra

rruchi@sgapl.net

www.sgapl.net